OVERSEAS MOVING BY MICHAEL GERSON 01-446 1300

FINANCIAL TIMES

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WORLD NEWS

Ten die as 100 mph winds hit UK

At least 10 people died as winds of up to 100 miles an hour swept across southern England and Wales yesterday. Three died when a tree fell on a minibus near Banstead, Surrey. Two women were crushed by falling walls in south Wales and Hendon, north London. A workman was buried under rubble near Westbury, Wilts, a motorcyclist was apparently blown on to the road near Staverton, Glos, a lorry driver was thrown from his cab on the A5 near Shrewsbury, and a crewman was blown overboard from a French trawler off Cornwall. A Norfolk policeman was killed by a falling tree. More strong winds were predicted for most of the country tomorrow. Weather, Back Page

Dissident meeting

Premier Margaret Thatcher is to meet prominent Jewish dissident Iusuf Begun during her visit to the Soviet Union which starts today. Back Page

Profit-pay interest

More than 1,600 companies have registered interest in setting up profit-related pay schemes for employees, the Government said. Back Page

Fleming charged

John Fleming, who was deported to Britain from the US on Thursday, is to appear before magistrates in London today charged with dishonestly receiving more than £1m cash, resulting from the theft of gold bullion.

Hindley back on moors

Moors murderer Myra Hindley returned in secret to Saddleworth Moor above Oldham earlier this week to help police searching for the bodies of two children, the Home Office disclosed.

Tebbit rejects criticism

Conservative Party chairman Norman Tebbit rejected criticism by Tory MPs that he had made a tactical error in concentrating attacks on the Alliance. Page 4

Deaths faker jailed

Robert Fenwick, 39, of London was jailed for 16 weeks by Dover magistrates for wasting police time by falsely claiming he had lost four relatives in the Herald of Free Enterprise ferry disaster.

Clocks go forward

Summer time begins officially at 1 am tomorrow, when clocks should be put forward one hour.

Italy turns to woman

Italian President Francesco Cossiga gave Ms Nilde Jotti, the Communist president of the Chamber of Deputies, an exploratory mandate to seek prospects of forming a government—the first time a woman has been given such a role.

Strikes spread in Spain

Spanish pilots and airport workers held a one-day strike, joining miners, railway, health and other workers who have staged protests in Spain this week. Page 2

Four killed at air show

Four Thai pilots were killed when their jets crashed at the country's Air Force Day air show in Bangkok.

AIDS virus in prisons

There were 45 people in prisons in England and Wales with the AIDS virus at the end of February, but no diagnosed case of the disease, the Home Office said.

Escaper's damages

Glen Hewson, 38, was awarded £35,608 damages by the Edinburgh Court of Session for leg injuries received in a fall when prison officers threw missiles at him as he tried to escape from Peterhead Prison.

BUSINESS SUMMARY

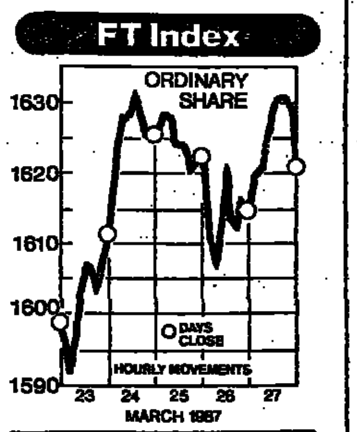
GM, Deere scrap diesel engine plan

GENERAL MOTORS of the US and Deere, the US-based group which is the world's leading farm equipment company, have dropped a plan to merge their diesel engine interests. The news surprised Wall Street and caused Deere's share price to fall $1¼ to $27⅞ by late morning. Back Page

PHILIPPINES Finance Minister Jaime Ongpin said a deal had been reached with foreign banks on rescheduling $10.3bn (£6.4bn) debt.

TOKYO shares surged at the threshold of a new fiscal year. The Nikkei market average closed 467.87 up at a record 22,026.66. Page 11

LONDON equities were encouraged by the strength of the Tokyo market but gains were trimmed before the close.



The FT Ordinary Share Index ended 5.7 higher at 1,620.6, within five points of the peak reached on Tuesday. The week's gain was 21.7. Page 12

FISONS, UK drug concern, is to raise £110m through a share placing outside Britain and the US to fund acquisitions. Back Page

CITY institutions are offering to conduct the sale of the Government's remaining 32 per cent stake in BP as a "bought deal," which transfers the price risk from the shares' issuer to vendor bank. Back Page

THREE European airlines threatened with anti-cartel legal action by the European Commission backed down and agreed to negotiate. Page 2; Atlantic fares, Page 4

ACCOUNTING Standards Committee is to propose rules in June regarding treatment of off-balance sheet financing schemes in accounts. Page 4

INFORMATION technology minister, Geoffrey Pattie, said EEC arrangements for organising joint research on industrial projects were a shambles. Page 3

RONSON, cigarette lighter maker, plans to create 780 jobs by 1990 at its North Shields plant on Tyneside. Page 4

KLEINWORT Grieveson Securities chairman and chief executive stepped down in a reshuffle imposed by parent company Kleinwort Benson Lonsdale. Page 4

TSARIST bond holders are rushing to meet Tuesday's deadline for claims on the £40m Russian Compensation Fund. Page 4

JARDINE Matheson, Hong Kong-based conglomerate, plans a bonus share offer enabling it to use its shares for acquisitions without jeopardising voting control. Page 10

BHP, largest Australian company, reported nine-month net profits more than 25 per cent down at A$603m (£262.3m). Page 10

DIXONS, UK electrical retailer, finally won control of the US industrial group Cyclops. Page 8

AVANA GROUP, Welsh food company facing a hostile £243m bid from Ranks Hovis McDougall, forecast 1986-87 taxable profits of £23m, up £3.4m on the previous year. Page 8

Nato urges Greece and Turkey to avoid conflict

BY DAVID BARCHARD IN ANKARA AND ANDRIANA IERODIACONOU IN ATHENS

GREECE and Turkey's Nato allies made urgent appeals last night to both countries to "avoid recourse to force at all costs" as their warships steamed towards each other in the Aegean over an oil drilling dispute on their continental shelves.

The US also said that it was separately mediating between Greece and Turkey to "avoid any statement or action which could exacerbate the situation."

Mr Charles Redman, the State Department spokesman, said the US was still assembling the facts in the territorial dispute between Greece and Turkey but that the US recognised there were important issues at stake for both sides.

Following an emergency meeting in Athens of the Defence and Foreign Affairs Council, Mr Andreas Papandreou, the Greek Prime Minister warned that Greece would prevent a Turkish oil prospecting vessel — Sismik-1 — from carrying out research on what he claimed to be Greece's continental shelf "with acts, not words."

In Ankara, meanwhile, Brigadier Guven Ergenc, of the Turkish Armed Forces' General Staff, told a news conference that any attempt to obstruct the work of the prospecting vessel would meet with "unhesitating retaliation." Turkey's armed forces were in a state of alert, but there had been no general mobilisation.

Brigadier Ergenc said that the Sismik-1, escorted by an unspecified number of warships, would sail into disputed waters in the Aegean sea tomorrow. Asked how Turkey would react if Greece attacked any of the vessels, Brigadier Ergenc said: "An attack on a warship is a cause for war."

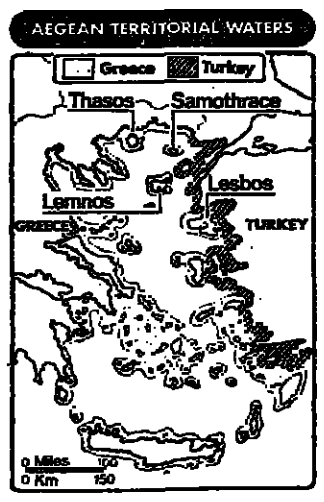
However, he quickly added that the two countries were not at the moment in a state of war. The measures taken by the military were directed towards protecting Turkish rights.

The Turkish Government said yesterday it had licensed the state-owned Turkish Petroleum Corporation to explore for oil "in international waters" around three Greek islands off the Turkish coast. This followed the announcement of plans by a Greek-based international consortium, the North Aegean Petroleum Company to drill for oil in international waters.

However, in Athens, the NAPC said yesterday it had frozen its plans to start drilling east of the island of Thassos by March 28.

The Greek Government

Continued on Back Page



ARGENTINA

Five years ago, Argentine troops landed in the Falklands. Jimmy Burns reveals how the Buenos Aires junta plotted the invasion.

Page I

FINANCE

Investors' Tales: Kevin Goldstein-Jackson surveys his year. Plus: the glum realities of no-frills share-dealing services.

Pages VII and VI

JEWELS

Antony Thorncroft previews next week's sale of the century when the Duchess of Windsor's jewels are auctioned in Geneva

Page XIV

BOAT RACE

Today sees the annual Oxford-Cambridge Boat Race—but is it bad for rowing?

Page XVIII

US ready to impose tariffs on Japanese

BY LOUISE KEHOE AND IAN RODGER IN TOKYO

THE US will impose import tariffs on Japanese electronics products to take effect in 15 days, Mr Nobuo Matsunaga, the Japanese Ambassador to the US, was told by Mr Clayton Yeutter, the US Trade Representative, at a meeting in Washington yesterday.

Administration officials do not expect retaliation from Japan. Neither do they expect Japanese companies to be able to take effective action to avert the tariffs within the 15-day period.

Among the products affected by tariffs are facsimile equipment, lap-top computers and small televisions. The tariffs are expected to total about $300m (£124m) in a full year.

The sanctions decision follows repeated US complaints that Japanese exporters of electronics goods were dumping semi-conductors in Asian markets in violation of the US-Japanese semiconductor trade agreement signed in September.

Mr Malcolm Baldrige, Commerce Secretary, said the proposed sanctions were "a method of holding them [the Japanese] to account under international trading laws."

The US moves coincide with a further embarrassment on the trade front for Japan with the announcement of another increase in its surplus with the rest of the world during February.

Japan's Ministry of International Trade and Industry declined immediate official comment on the US sanctions, but indicated one response could be a complaint to the General Agreement on Tariffs and Trade office in Geneva.

Mr Matsunaga returns to Tokyo today to brief his Government on the worsening trade frictions.

February's balance of payments figures, showed Japan's current account at $7.38bn compared with $4.95bn surplus the previous month. A $9.4bn record was set in December.

Mr Yasuhiro Nakasone, the Japanese Prime Minister, who plans to visit Washington at the end of April in an attempt to ease the trade issue, instructed his Cabinet to begin preparing a package of measures to boost domestic consumption and promote housing construction.

The US Government has been putting pressure on Japan to stimulate its economy, and Mr Nakasone said he would like some measures to be announced before going to Washington.

However, in a separate move likely to inflame tension, Mr Shunjiro Karasawa, Japan's Minister of Posts and Telecommunications categorically rejected US demands for foreign participation in the Japanese telecommunications industry.

The US has decided not to impose tariffs directly on Japanese chips sold in the US, which could raise US chip prices and hit US computer and electronic equipment manufacturers.

According to Mr Baldrige, the products subject to tariffs are those available from alternative US and foreign suppliers.

According to US semiconductor industry officials the tariffs are designed to offset dumping duties on Japanese memory chips that were suspended as part of the semiconductor trade agreement. But for the trade pact, Japanese companies would have paid an estimated $100m in duties

Continued on Back Page
Japanese reject US telecoms request, Page 3

Reagan criticises Kinnock on arms

BY MICHAEL CASSELL IN WASHINGTON

PRESIDENT Ronald Reagan yesterday warned Mr Neil Kinnock, the Labour leader, that his party's unilateralist defence policy would damage East-West relations, weaken the Nato alliance, and undercut the American negotiating position at the Geneva arms talks.

In a businesslike 20-minute meeting, the President made clear that he disagreed with Labour's defence stance, and implied it could leave Western defences in a similar position to the defender of the US's allies before 1939.

He told Mr Kinnock: "We must be prepared, unlike before World War II. We cannot let that happen again."

In spite of differing accounts from both camps of the short session, at which the President was accompanied by the top five members of his Administration, Mr Kinnock acknowledged that Mr Reagan had expressed concern "by implication" about the coherence of the alliance under Labour's defence strategy. He said it had been Mr Reagan's central point but stressed that Labour was ready to acknowledge and rebut the idea that its proposals would in any way undermine the alliance.

He said the concern was "one we can very easily deal with" and claimed Labour's position on defence had been validated by recent moves on the intermediate nuclear forces negotiations. Labour retained its commitment to remove cruise missiles from the UK but it did not intend to "jog elbows or push tables over."

The Labour leader, who was accompanied by Mr Denis Healey, shadow Defence Secretary, and Sir Anthony Acland, the British Ambassador, said afterwards that he had impressed on the President Labour's determination to maintain the strength of Nato.

"The bottom line is the nature of our commitment to Nato and to the alliance with the US. Our policy is entirely in keeping with the requirements of that firm and fast alliance," he said.

However, it became clear that Mr Kinnock had failed in his central objective of convincing the White House that Labour's proposals to abandon the British nuclear deterrent, and to compensate by expanding the scale and quality of Britain's conventional forces would not harm the alliance.

Mr Marlin Fitzwater, the White House spokesman, said the President had stressed the importance of firmness and solidarity within Nato. There was clear disagreement, though, over issues such as the Strategic Defence initiative, the so-called Star Wars programme, to which Labour is firmly opposed. The President impressed on his guests that he believed strongly in SDI, which represented "the biggest hope for the free world" and which, he claimed, had brought the Russians to the negotiating table.

Mr Kinnock later said he believed the Russian response had "come from the head and not the heart" and had been principally dictated by internal pressures rather than by US strategy.

He emphasised his belief that the President held "an entirely sincere commitment" to agreeing on arms controls and reductions. In a reference to the importance of the defence issue in the forthcoming general election, he said the President had given an assurance that the US Government would not interfere with the British electoral process.

Tebbit adamant, Page 4;
Thatcher to meet dissident, Back Page

$ continues fall against yen

BY JANET BUSH

WIDESPREAD intervention by several leading central banks yesterday failed to arrest a further drop in the dollar to its lowest level against the Japanese yen since 1945.

Estimates suggest that central banks have this week bought a total of about $8bn, of which perhaps $5bn or $6bn has been purchased by the Bank of Japan.

The dollar has continued to fall in spite of this attempt to keep currencies stable as part of the Paris accord between finance ministers from leading industrial countries in late February. Fear is growing that currency speculators will turn their attention next to selling dollars against other leading currencies.

After the Bank of Japan again aggressively bought dollars in Tokyo, it was joined by the Bank of France, the Swiss central bank, the Bundesbank and the US Federal Reserve which were reported to have bought token amounts of dollars. The Bank of England may also have been active.

These small-scale forays left the dollar earlier in the day at Y147.65, only just above its post-war low of Y147.35. This compared with Thursday's closing of Y149.10 and the Y153 recorded only about a week ago.

The dollar's pronounced weakness against the yen comes against a background of intensifying trade friction between Japan and the US. This is convincing many investors and foreign exchange dealers that the US is under pressure to allow the dollar to fall further at the expense of the Paris accord before.

Continued on Back Page
Editorial Comment, Page 6;
Money Markets, Page 12

Greenwood securities firm closed

BY CLIVE WOLMAN

GREENWOOD International Securities, the City securities dealing firm whose director, Mr Jonathan Greenwood, is the subject of an insider dealing investigation, was yesterday closed pending a compulsory winding up petition from the Department of Trade and Industry.

The firm was involved in the aggressive telephone selling of shares of little value in two Canadian companies at greatly inflated prices. With 20 share dealers, it generated £1m of share sales in the three months to January.

Its operations were modelled on those of the Amsterdam "boiler room" operations which were run mainly by Canadian expatriates until they were closed down by the Dutch police last May.

Mr Greenwood left the UK for Israel in December, shortly after the DTI appointed inspectors to investigate leaks of inside information from the Office of Fair Trading or the DTI.

Mr Greenwood, whose sister works as a junior official in the OFT, has been the focus of the investigation, which discovered evidence that information leaked from the OFT was passed to a network of share dealers. The information concerned price-sensitive decisions as to whether certain takeover bids should be referred to the Monopolies and Mergers Commission.

Mr Greenwood has denied dealing on inside information.

The inspectors were unable to obtain confirmation of key evidence although the first stage of the investigation was completed just before Christmas and prosecutions were expected shortly afterwards.

This was supposedly a result of Mr Greenwood's absence abroad and the alleged lack of co-operation of witnesses, including Mr Jeremy Warner, a journalist on The Independent, who is currently engaged in court proceedings which may compel him to disclose his sources of information.

Greenwood International Securities was a licensed securities dealer with more than 2,000 clients in the UK and overseas.

One of the Canadian companies whose shares it was aggressively promoting was Multi Choice Communications. That company's only active subsidiary, which was engaged in high-technology research and development, was closed by the tax authorities and its assets seized last August by the Canadian Federal Government.

Trading in its shares on the Ontario over-the-counter market have since virtually dried up.

The other Canadian company whose shares were sold by Greenwood was Campbell Boys Industrial which is incorporated in Nova Scotia.

The Ontario Services Commission passed information about these companies to the DTI.

Greenwood is being wound up under section 440 of the Companies Act on the grounds that it is expedient to do so in the public interest. The winding up petition will be heard in the High Court on May 13. The Official Receiver has been appointed as provisional liquidator.

MARKETS

DOLLAR	
New York lunchtime:	
DM 1.8185	
FFr 6.062	
SFr 1.5145	
Y147.4	
London:	
DM 1.8235 (1.8275)	
FFr 6.0675 (6.0825)	
SFr 1.5195 (1.5265)	
Y147.65 (149.1)	
Dollar index 102.1 (102.5)	
Tokyo close Y149.0	
US LUNCHTIME RATES	
Fed Funds 6⅛%	
3-month Treasury Bills: yield: 5.73%	
Long Bond: 99⅜ yield: 7.57%	
GOLD	
New York: Comex June latest $426.0	
London: $418.75 ($411.75)	

STERLING	
New York lunchtime $1.605	
London: $1.603 (1.606)	
DM 2.9225 (2.935)	
FFr 9.725 (9.77)	
SFr 2.435 (2.45)	
Y236.75 (239.5)	
Sterling index 71.9 (72.1)	
LONDON MONEY	
3-month interbank: closing rate 9⅞% (9⅞)	
NORTH SEA OIL	
Brent 15-day April (Argus) $18.375 ($18.45)	
STOCK INDICES	
FT Ord 1,620.6 (+5.7)	
FT-A All Share 1,025.03 (+0.6%)	
FT-SE 100 2,048.6 (+10.8)	
FT-A long gilt yield index: High coupon 9.11 (9.07)	
New York lunchtime: DJ Ind Av 2,360.51 (−12.05)	
Tokyo: Nikkei 22,026.66 (+467.87)	

Chief price changes yesterday, Back Page

CONTINENTAL SELLING PRICES: Austria Sch 20; Belgium BFr 45; Denmark DKr 9; France Ffr 6.50; W Germany DM 2.20; Ireland 60p; Italy L1,600; Malta 30c; Netherlands Fl 3; Norway NKr 7.00; Portugal Esc 100; Spain Pta 125; Sweden SKr 8.00; Switzerland SFr 2.20.

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OVERSEAS NEWS

Airlines back down in EEC cartel dispute

BY QUENTIN PEEL IN BRUSSELS

THE THREE European airlines threatened with cartel busting legal action by the European Commission—Lufthansa of West Germany, Alitalia of Italy, and Olympic Airways of Greece—have all backed down and agreed to negotiate, Commission officials said yesterday.

Talks have been held in Brussels in which the airlines recognised the authority of the Commission to enforce competition rules—and a decision will be taken next week on whether they have moved far enough to suspend the legal action.

The three airlines had previously refused to negotiate on the major areas in which they are accused, along with most other major national carriers in the EEC, of operating a cartel by agreeing common prices and tariffs, by setting capacity sharing deals on routes, and by pooling their revenues on that basis.

Alitalia in particular had refused even to answer the Commission's letters directly, insisting that all communications go through the Italian Ministry of Transport.

Their move means that all 10 airlines approached by the Commission—including British Airways, Air France, SAS, Sabena and KLM—are now involved in negotiations, which competition officials hope will lead to more liberal agreements.

A key question now remains whether the national airlines will be prepared to agree more liberal deals than those at present being negotiated by their respective Transport Ministers, in the EEC Council of Ministers.

The Council last week all but agreed a new fares deal, setting easier conditions for passengers to qualify for discount and "deep discount" fares, down to 45 per cent of the full economy fare.

They have been given by the Commission until June 30 to agree a package deal on capacity-sharing and market access for new airlines—or the Commission will go ahead with its own enforcement of competition.

Commission officials believe they can get the broad outlines of agreement with most of the airlines during April—but they are still unwilling to commit themselves on the genuine willingness of the hard-liners such as Alitalia and Olympic to change their ways.

"They have talked with a view to modifying their agreements," a senior official said yesterday. "We will have to assess the precise results next week."

Hizbollah 'leader' arrested in Paris

By David Housego in Paris

THE FRENCH Government was yesterday seeking to avoid any break in its relations with Iran that could follow in the wake of the arrest in Paris of one of the founding-members of the pro-Iranian Hizbollah (Party of God) movement in the Lebanon.

Mr Mohamed Mouhajer, whose identity became public knowledge only yesterday, was charged with six Tunisians and another person of suspected terrorist offences on Thursday.

He comes from a well-known Shiite family in the Lebanon and is alleged to be a leading member of a pro-Iranian terrorist network in Europe.

The eight arrested at the weekend were said to have been found in possession of explosives and weapons, apparently intended for use in further terrorist attacks in France. Tunisia announced on Thursday in an apparently related move that it was breaking off diplomatic relations with Iran which it accused of recruiting Tunisians to carry out terrorist acts.

The French Government yesterday, while calling the arrests "an extremely important affair" sought to play down the diplomatic implications.

New pragmatism extends to unsavoury goings-on in Hong Kong, writes David Dodwell

Peking turns blind eye to racing ban on Wu

AS ONE sifted the news from China this week for signs of continuing pragmatism among the country's leaders, it was not the Sino-Portuguese agreement on the future of Macao, or the appearance of Hu Yaobang on the rostrum of the National People's Congress that caught the eye so much as the roller-coaster fortunes of Mr Gordon Wu in Hong Kong.

Mr Wu is a long-time friend of China and a backer of numerous projects in the mainland, including the luxurious China Hotel in Guangzhou (Canton), a power station in the Pearl River delta, and a "super-highway" linking Hong Kong, Guangzhou and Macao. He has been a member of the Chinese People's Political Consultative Conference since 1983.

What began as a marvellous week in which he found Jardine Matheson's former chairman Mr Henry Keswick humbled before him, ended with the humiliation of having his membership suspended at the prestigious Royal Hong Kong Jockey Club, being banned from racing in the territory for nine months, and having a HK$100,000 (£794,000) fine to pay.

Henry Keswick: humbled before Wu

Hu Yaobang: failed to catch the eye

There could be no clearer sign of Peking's willingness to turn a blind eye to some of the less savoury aspects of Hong Kong life—and the involvement of some of their friends in them—than that they appear not to have flinched in their support for Mr Wu inspite of his admission of involvement in racing-fixing.

Mr Wu is the inspiration behind a private sector proposal to build a new airport in Hong Kong, along with an associated port, underground railway and trunk road system. The idea was first treated with extreme scepticism by government officials, who just four years ago jettisoned plans for a new airport because of the predicted HK$36bn price tag.

Of late, the proposal has been taken more seriously, in part because Mr Li Ka-Shing, the Hong Kong billionaire who controls the trading group Hutchison Whampoa, and the utility group Hongkong Electric, as well as stakes in Husky Oil and the Pearson Group of the UK, has given the idea his initial blessing.

What is not suprising for a man with such close friends in China, he has talked of financial and equity backing from the China International Trust and Investment Corporation and China Resources, two of the mainland's most powerful corporate voices in Hong Kong.

He has even won the backing of Jardine Matheson after an embarrassing episode in which an internal memo from Mr Martin Barrow, the "princely Hong's" managing director, was leaked. This suggested that the government had little faith in Mr Wu's ability to complete the project and would prefer to see an august institution like Jardine press it forward.

Mr Keswick last week had to eat humble pie on behalf of his managing director, following government outrage at Mr Barrow's claim. His decision to join the Gordon Wu-led consortium to build the airport, in which he agreed to take a 5 per cent stake in the venture if it went ahead, is understood to have involved the intermediation of the almost-as-princely Hong, Swires, and without doubt gave Mr Wu great satisfaction.

The satisfaction was short-lived, however, when on Thursday Mr Wu pleaded guilty before a private tribunal of the Royal Hong Kong Jockey Club to eight charges linked with race fixing.

When Britain and China were negotiating the future of Hong Kong beyond 1997, anxieties were expressed that China would frown on the gambling monopoly that is focused on the jockey club.

For those still in fear that China will not live up to its promises of non-interference after 1997, the lessons of Mr Wu's week should be of considerable comfort. After all, if puritan Peking is willing to turn a blind eye to one of its closer friends not just having a love of gambling but also been caught trying to fix the odds in his favour, then surely those with more innocent ambitions ought to be able to face the future without fear?

Zero option could weaken West's defence, says Barre

BY ROBERT MAUTHNER, DIPLOMATIC CORRESPONDENT

MR RAYMOND Barre, the former French Prime Minister and probable candidate in the 1988 French presidential election, has expressed strong doubts about the desirability of the so-called "zero option"—the proposal to eliminate all medium-range nuclear weapons from Europe.

Mr Barre, who delivered the Alastair Buchan memorial lecture to the International Institute of Strategic Studies in London on Thursday night, said the implementation of the zero option could seriously weaken the West's defensive capability, given the Warsaw Pact's superiority in conventional and chemical weapons.

"By removing an intermediate stage of escalation, it could weaken Nato's capacity for flexible response, bringing about the dilemma, if not 'all or nothing' at least 'all or too little'."

Nato's medium-range nuclear weapons — Pershing 2s and cruise missiles — were "an indispensable link in the deterrence chain" which should continue to bind Europe and the US, since they could reach Soviet territory directly from Western Europe.

In addition, US troops could only be expected to stay in Europe — which was in range of both Moscow's strategic and shorter-range nuclear arms — if they remained protected by an "extended US deterrent."

"Decoupling (of the US from Europe), however great the US's political will to avoid it, would be technically and psychologically faciliated by the withdrawal of Pershing 2 and cruise missiles, since the US would no longer be able to retaliate from Western Europe."

All of this suggested that it would be far preferable in a first stage to achieve a substantial reduction of both strategic forces and medium-range missiles.

Mr Barre referred to the serious consequences for Western Europe which might have ensued if an arms control agreement had been reached between the US and the Soviet Union on the basis discussed at the Reykjavik summit last October by President Ronald Reagan and Mr Mikhail Gorbachev, the Soviet leader.

The lesson to be learnt from that event was that Europeans should establish a sense of priorities in defining their strategic choices and that there should be "a bold intensification" of all forms of intra-European co-operation.

Stressing that problems of security were more political than military, Mr Barre said that the emergence of a common European awareness of security problems resulting from "the Euromissile crisis" must be preserved at all costs.

Political co-operation in the field of security should be linked to European co-operation in general and there should be permanent concertation between Britain and France on the future of their nuclear deterrents.

This should include coordination of the tasks of their submarine nuclear launchers and joint construction of new weapons.

US inflation falls to 0.4% in February

By Nancy Dunne in Washington

US inflation, at the consumer level, continued to rise last month, but lower-cost cars and car financing held price increases to 0.4 per cent, according to the US Labor Department.

The consumer price index, fuelled by higher oil prices, jumped 0.7 per cent in January. Petroleum prices rose again in February, accounting for over one-third of the monthly advance, but still, they rose less than in January.

Petrol prices rose 4.2 per cent in February, after advancing 6.6 per cent in January. In spite of the sharp increase so far this year, petrol prices are still 18 per cent lower than a year ago.

There were other price increases as well, a disturbing sign for the Reagan Administration which has claimed credit for slaying the inflation dragon. The cost of food purchased in grocery stores edged up 0.4 per cent in February, after rising 0.4 per cent in January.

Housing costs rose 0.4 per cent, down from 0.5 per cent in January. Clothes prices rose 0.7 per cent and medical care was 0.3 per cent more expensive in February.

Strike grounds Spanish airlines

By Tom Burns in Madrid

PILOTS and airline ground staff staged a one-day strike yesterday joining railway workers, miners, doctors and public health employees, among other sectors, who have been involved in industrial disputes and protests in Spain during the past week.

The pilot and ground staff strike, against a 5 per cent ceiling on public sector wages, grounded all the Iberia flights and those of the domestic carrier Aviaco except those linking mainland Spain to the Canary and the Balearic islands. Further airline strikes are planned next month.

Exports lead S African growth recovery

BY ANTHONY ROBINSON IN JOHANNESBURG

FURTHER evidence of more broadly-based, export-led recovery in the South African economy is contained in the latest Reserve Bank quarterly report.

This showed a 4.5 per cent rise in gross domestic product in the last quarter of 1986, higher gross fixed investment and a rise in employment.

Sluggish activity earlier in the year however meant that the real economic growth rate for 1986 as a whole was less than 1 per cent after a 1.5 per cent decline in 1985.

Failure to achieve the originally targeted growth of 3 per cent was due to lower real incomes and lack of political confidence which depressed both consumer spending and investment over the first three quarters, the report shows.

Low domestic demand reduced import volumes by 5 per cent in 1986 while exports rose 6 per cent in volume and 21 per cent in value. This led to a record trade surplus of R15.88bn (£4.8bn) and a current account surplus of R7.2bn, equivalent to 5.2 per cent of GDP, following a surplus of R5.9bn in 1985.

Over the last quarter of 1986 alone the current account surplus was running at an annualised rate of R12.9bn, or 8.5 per cent of GDP.

On capital account a small inflow in the third quarter was followed by an outflow of capital not related to reserves of R3.5bn in the fourth. The bulk of this, an estimated R2.7bn followed a switch from foreign to domestic bank financing of overseas trade and thus represents an increase in short-term foreign assets. The net aggregate outflow of foreign capital declined last year to R6.1bn from R9.2bn in 1985, the report said.

Overall South Africa's gold and foreign currency reserves dropped slightly by R189m last year to R5.7bn at the end of the year. Over the first two months of 1987 however they increased by R1.7bn.

Further strong inflows took place this month, Dr Gerhard de Kock revealed earlier this week when South Africa announced agreement on a three year debt-rescheduling agreement. Under this it will repay $1.42bn of the outstanding $13bn debt to foreign commercial banks frozen by the August 1985 "debt standstill."

Unita offers to allow reopening of Benguela rail

By Lionel Barber in Washington

PRO-WESTERN rebels in Angola, led by Mr Jonas Savimbi, have offered to allow the Angolan Government to reopen the strategically important Benguela Railway running from Zaire to the Angolan coast.

The offer could help black southern African countries to reduce their economic dependence on South Africa since it would transform prospects for the Angolan port of Lobito to become a major trade terminal in the region.

The 1,300-mile Benguela Railway has been largely closed for 12 years, frequently sabotaged by Mr Savimbi's Unita guerrillas fighting the Angolan Government.

The Unita offer was conditional on the railway not being used to transport military goods. Unita is also insisting on inspection rights.

While the Administration of President Ronald Reagan has supported the Unita rebels, supplying them with weapons and funds, the State Department is keen to encourage black southern African countries to reduce their dependence on Pretoria for trade and transportation. Some 70 per cent of these countries' trade goes through South African ports.

A US official denied that Mr Savimbi had been put under pressure to change his position on the Benguela Railway. He said black African states Mozambique, Angola, Zambia and Zaire—had worked towards re-opening the railway. These countries would be hit hard in sanctions war with South Africa.

Nasa begins investigation into explosion of rocket

BY NANCY DUNNE IN WASHINGTON

A SPECIAL task force from the National Aeronautics and Space Administration (Nasa) yesterday began the now familiar process of investigating what went wrong when one of its most reliable rockets blew up 51 seconds after launch on Thursday at Cape Canaveral, Florida.

Task force members refused to speculate on the cause of the accident, which followed seven launch successes that had seemed to indicate Nasa could regain some lost stature.

The explosion of a $78m (£48m) Atlas-Centaur rocket, carrying a $83m military communications satellite, brought back all the bad memories of last year when Nasa could not seem to make anything work. The destruction of the shuttle Challenger in January 1986 was followed by two successive failures of expendable launch vehicles—a US Air Force Titan 340 and a Nasa Delta rocket.

The accident leaves the US space agency with one remaining Atlas Centaur, its "workhouse" rocket. Four Delta rockets are in various stages of construction and could be completed this year.

Speculation about the cause of the accident immediately centred on the weather. There was light rain at the time of the liftoff.

Launch officials said they had been assured that there was no chance of lightning within a five-mile radius, as required by mission rules.

However, earlier in the day, two weather balloons had disappeared at 40,000 feet and a weather reconnaissance aircraft had been grounded by poor weather.

Reporters said they had seen lightning at the launch pad, and after the rocket veered out of control and was exploded for safety reasons, the wreckage fell amidst heavy rain.

Indian minister quits after poll setback for Gandhi

BY JOHN ELLIOTT IN NEW DELHI

A SENIOR Indian Cabinet Minister tendered his resignation last night following serious regional election setbacks suffered this week by the Congress (I) party of Mr Rajiv Gandhi, the prime minister.

He is Mr Ashoke Sen, Law Minister whose political base is in West Bengal's capital of Calcutta. Despite extensive personal campaigning, Mr Gandhi failed to unite warring Congress (I) factions in West Bengal.

His party's position in the 294-seat assembly dropped from 56 seats to 40, while the ruling Communist Party of India—Marxist (CPIM) increased from 166 to 187.

In an apparent criticism of party leaders appointed by Mr Gandhi in West Bengal, Mr Sen said many senior leaders such as himself were "sought to be ignored and kept away." This remark reflected resentment among older political leaders about people chosen by Mr Gandhi for top positions.

On Thursday, President Zial Singh, the country's constitutional non-executive head, was reported to have indirectly attacked Mr Gandhi's style of party leadership.

Mr Sen is the first possible casualty of the election setbacks, which have considerably undermined Mr Gandhi's political authority.

Speculation has even started about whether Mr Gandhi's position as party leader might be challenged before the next general election due by the end of 1989.

Touring southern India where Congress (I) was defeated in the state of Kerala, Mr Gandhi said yesterday there had been no decline in his personal popularity.

Sweden in reactor pledge

BY SARA WEBB, STOCKHOLM CORRESPONDENT

MR Ingvar Carlsson, the Swedish Prime Minister, said yesterday the Government intends to start closing down the country's nuclear reactors between 1993 and 1995, ahead of schedule. This comes in spite of warnings that this would make Swedish industry, less competitive.

Sweden is committed to phasing out nuclear power by the year 2010 according to the terms of a 1980 referendum.

Mr Carlsson said that the first nuclear reactor would be phased out during the period 1993-95, and a second reactor could be taken out of operation between 1994-1996.

NZ expects set of favourable indicators

BY DAI HAYWARD IN WELLINGTON

A NUMBER of favourable economic indicators, supporting forecasts of a fall in New Zealand inflation by the end of this year, are expected during the next few weeks, along with the announcement of figures for the end of the financial year.

The figures are good news for a Labour Government that has extensively restructured the economy over the last three years and must face a general election before September.

Mr Roger Douglas, the Finance Minister, yesterday confidently predicted that the budget deficit for the financial year would be less than the NZ$2.9bn (£1bn) forecast late last year and closer to the original NZ$2.45bn forecast in the budget last July.

Among other improvements expected are:

● A turnaround in New Zealand's terms of trade;

● A reduction of the trade deficit from more than NZ$1bn last year to NZ$131m and an NZ$800m improvement in the current account deficit;

● A slowdown in food price increases to less than half of 1 per cent over the four months from November to February;

● An increase of NZ$600m in government tax revenues in spite of reductions in taxation rates averaging 22.1 per cent;

● Unemployment in January this year down 25,000 on the figures for January 1984.

A much bigger than expected tax revenue has been a major factor in the fall in the budget deficit. The total amount of tax received from the goods and services tax—a New Zealand version of VAT—introduced last October is still not known, but it already exceeds expectations. Taxation receipts from individuals will reach NZ$6.9bn, an increase of 18 per cent.

Mr Douglas said Government spending was in line with what he expected.

Current figures suggest total government spending for the financial year ended March 31 will be around 39 per cent of GDP and the deficit will be reduced from 9 per cent of GDP in the year before the Labour government took office, to 5.5 per cent this year.

Mongolia troops cut

A planned withdrawal of some Soviet soldiers from Mongolia this year could be followed by further Soviet troop cuts, Mongolian Deputy Foreign Minister Khumbagiin Olzvoi said yesterday, Reuter reports from Peking.

Mr Olzvoi, in Peking to attend a United Nations regional seminar on disarmament, said a partial Soviet troop withdrawal announced in January would go ahead from April to June. The Soviet Union has an estimated 75,000 troops stationed in Mongolia since 1966.

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Mervyn de Silva, in Colombo, examines a racket that has turned into a major political scandal

Sri Lankan baby trade experiences an export boom

IT USED to be called Air Lanka's non-stop Ayah service to the Middle East. In the past five years, the national carrier has ferried more than 10,000 Sri Lankan housemaids—Ayahs—to the Gulf states, Egypt, Jordan, Syria and even war-torn Lebanon.

Leaving their husbands or parents to mind the children at home, they have worked long enough abroad to remit sufficient savings to build a house or buy a car and become the envy of the small towns or villages which they had dared not leave a generation ago.

Fashionable feminist groups in Colombo saluted this cultural breakthrough for the conservative rural wife and daughter, who braved a new world, some of them ending up stranded and helpless, or caught up in wars they knew nothing about.

The sight of husbands and rathers patiently lining up in special queues at the Banque Indo-Suez, Middle-East Bank or Grindlays to collect the inward remittances in dollars or sterling was as much as symbol of the triumphant liberation struggle as the new street-names—Oman Place or Saudi Square—in small towns in the island's deep south.

Ayahs [housemaids] return to Colombo by the next flight, minus the babies who have been sold for re-export to Western Europe.

A brand-new house, a TV aerial or a shining Datsun car outside signalled the return of another intrepid voyager.

The Ayah service now wears an ugly face. The press calls it the "escort or the courier service" to Dubai. The Ayahs are still catching the flight but this time with a baby, sometimes two infants, on their laps.

They return to Colombo by the next flight minus the babies who have been sold to unidentified buyers for re-export, say police and immigration officials, to Western Europe.

While Singapore, planning a baby boom, subsidies young married couples, and West Germany is experiencing a baby slump, Sri Lanka has added babies to its non-traditional exports.

A survey by a special service organisation suggests that the annual demand in West Germany alone could be as high as 20,000 a year.

Sweden, Belgium and many other European countries are also part of the market. A Sri Lankan child in perfect health could fetch as much as $7,000-$8,000 (£5,000-£5,700), although the mother will be paid by local agents nothing more than $50.

The average price is around $3,000.

The newspaper which exposed the racket that has now turned into a major political scandal, tells of a new category of "super-babies"—the children of Sri Lankan mothers sold surrogated to Europeans.

All these transactions take place in what the local newspapers call "baby farms" disguised as beach resorts and Cabañas.

While the Department of Probation and Child Care runs only five homes, there are at least 50 such "baby farms" located mainly on the western seaboard near the main tourist centres.

The Probation Department says there were 1,612 legal adoptions by foreigners last year. Of this number, only 37 came from the state-run homes. The unofficial figure of adoptions, with the help of forged documents or corrupt officials, and by open smuggling of babies, is almost double.

In the wake of mounting public anger, the political opposition has taken up the issue. Mrs Bandaranaike, the former prime minister who leads the main opposition party, says this new-type "slave trade" is the direct result of the commercialisation of life that has accompanied the open economy policies of President Junius Jayewardene's right-wing government.

The Ven Dr Walpola Rahula, Chancellor of Kelaniya University and an internationally renowned Buddhist scholar, condemns the baby trade as a challenge to the traditional values of Buddhist society.

Singapore, planning for more babies, subsidises young married couples; Sri Lanka has added babies to its non-traditional exports.

An opposition MP will give notice of a no-confidence motion against the Government this week, and the Bar Association, the Organisation of Professional Associations and the World University Service held a public seminar last weekend to mobilise public opinion.

The export of babies assumed the proportions of a national scandal after the police raided a baby farm in Wadduwa, 30 miles south of Colombo.

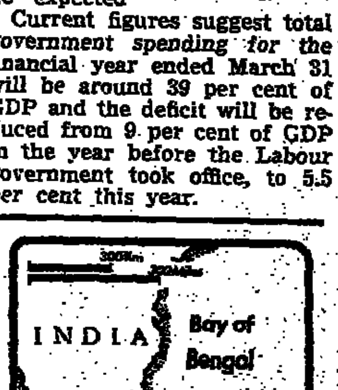
It was run by an upper-middle-class Sinhalese woman. When the officer who led the raid was promptly transferred, the opposition complained of the woman's high connections. An explanation was given that the police inspector had been transferred in order to be promoted. No case has yet been filed.

Recently, Government decided to deport a foreign nurse associated with a home for handicapped children in Negombo, near Colombo Airport.

Investigations which led to her arrest revealed some of the ramifications of the adoption racket. Each adoption requires the approval of a court of law, but this is a formality since the courts accept documents passed by the Probation and Child Care Department.

Junior officials are said to have received Japanese radios, Swiss watches, cases of whisky, Parker pen-and-pencil sets and Dunhill lighters as gifts from unidentified foreigners.

The Swedish Embassy has warned Sri Lankans that Sweden will recognise only those adoptions where the Swedish foster-parent has obtained permission from one of three agencies in Stockholm approved by the Swedish Government.



A Belgian organisation named Amarna has sent the authorities in Colombo a letter it has received from an import-export company which is offering Sri Lankan babies for adoption. One of the directors of the company is also a local employee of a European embassy in Colombo.

Police claim that some Sri Lankans holding non-diplomatic posts in Sri Lankan missions abroad are also in on the deals.

A senior minister said the Government was awaiting the report of a commission now studying the adoption laws before recommending changes that could help cripple the baby export drive.

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Japan minister rejects US telecoms request

BY IAN RODGER IN TOKYO

JAPAN'S Minister of Posts and Telecommunications (MPT) has catergorically rejected demands from the US Government to open its telecommunications industry to significant foreign participation.

In spite of a rising tide of official anger in both the US and the UK over Japan's protectionist approach to setting up a new international telecoms supplier, Mr Shunjiro Karasawa yesterday reconfirmed his ministry's opposition to foreign telecoms companies, including Britain's Cable and Wireless (C & W), having a "key role" in a new international telecoms venture in Japan.

Mr Karasawa made the comment in a letter replying to one last week from Mr Malcolm Baldridge, US Commerce Secretary, in which he complained that the Japanese Government's handling of the so-called second KDD issue was inconsistent with its commitment to open its markets.

Mr Baldridge and other US and British officials have been particularly offended by the arrangement, apparently under MPT guidance, of a merger of two consortiums competing for the second KDD.

One effect of the merger, agreed among the leading Japanese companies in the two consortiums last week, is to dilute foreign participation to insignificant levels.

Mr Karasawa did not reply directly to Mr Baldridge on this point. He said there was no restriction on foreign ownership in the project other than those in the law (which limits total foreign participation in a telecoms company to 33 per cent).

However, as a result of the merger, there would be about 70 companies participating and so the equity stakes of foreign companies would necessarily be small.

Meanwhile, there was no official reaction yesterday in Tokyo to reports that the British Government was considering removing licences of Japanese financial institutions in London if the Japanese did not allow C & W a significant role in the second KDD project.

But there were hints of a slight softening of the official objection to one aspect of C & W's role in the project, that is, the construction of a new trans-Pacific telecoms cable.

There were indications that the merged company might adopt the plan of the International Digital Communications Planning (IDC) consortium, in which C and W has a 20 per cent stake, to join the new cable project immediately.

The US Government has already approved the proposal of a US consortium, of which C & W is a part, to lay the new cable, and would like the Japanese to participate as well.

Until now, the MPT has been opposed to the new cable because it does not believe there will be enough demand to support it. MPT officials repeated that opposition in a meeting with C and W officials on Thursday.

For similar reasons, it has opposed the suggestion that licences be issued to both consortiums wanting to operate a second KDD service, and has tried to promote a merger of the two.

● Mr John Banham, Director-General of the Confederation of British Industry, yesterday condemned as a "serious blot on Japan's good name" any attempt to keep Cable and Wireless out of the Japanese telecoms market.

"Every individual country could protect its own home market. But nothing could be worse from the point of view of industry and users worldwide."

United States Lines shuts Taiwan office

BY BOB KING IN TAIPEI

UNITED STATES LINES, the US shipping line, has abruptly shut its Taiwan office and terminated its trans-Pacific operation. But shippers are confident that in Taiwan at least, the company's cargo commitments can be handled by other carriers.

The sudden closure of the Taipei offices shocked employees of the 130-year-old American carrier who said they had had no advance notice of the action.

Company officials said that salaries due to the 100-or-so local employees had already ben paid into a special account, but it was not clear what arrangements will be made to handle the company's debts, which some reports put in excess of $2.5m (£1.78m).

The troubles which have hit Taiwan affiliate are apparently linked to Chapter II bankruptcy proceedings started in the US last year.

At the time of the Chapter II anouncement, United States Lines surrendered its options on 12 giant "Econ" class container vessels built in various shipyards.

The company continued its trans-Pacific line operations using smaller vessels leased from other carriers, but was unable to generate enough income to carry on.

Other shipping lines said they were confident that enough capacity existed to handle the additional load caused by the closure, despite the current heavy demand for space.

PUBLIC NOTICE

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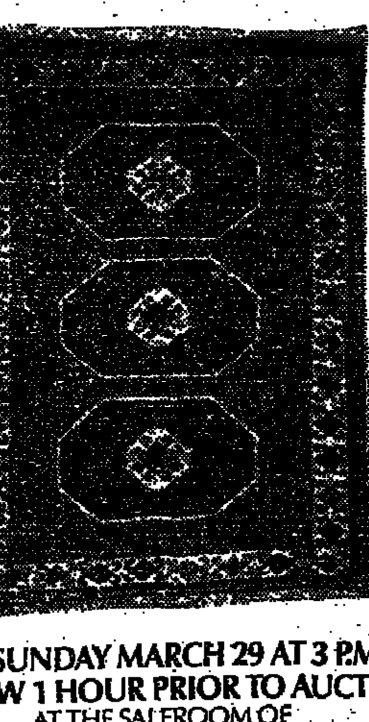

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Countryside survey shows call for BST

Financial Times Reporter

MOST country dwellers think British Summer time should start earlier in the year or last for the whole 12 months, according to a report published when the clocks go forward one hour tomorrow.

Country people believe lighter afternoons would boost rural prosperity, create jobs and cut road accidents, says the survey conducted by the Development Commission for Rural England.

Lord Vinson, chairman, said: "It is anyhow a nonsense that the clocks go back two months before Christmas and yet don't go forward again until three months after the shortest day."

The survey found that more than 65 per cent of all groups questioned favoured an extension of BST, "preferably continuous summer *time, which would bring* Britain more into line with the rest of the EEC," Lord Vinson said.

More than two thirds of employers with outdoor workers said they would prefer extended summer time, because longer daylight hours would give more time for productive work. Tourism and leisure industries would also benefit.

Pattie attacks EEC research plans

BY JOHN HUNT

EEC ARRANGEMENTS for organising collaborative research on new industrial projects, information technology and telecommunications are a "shambles," Mr Geoffrey Pattie, Minister for Information Technology, said yesterday.

He was commenting on negotiations within the Community's Research Council to draw up a new five-year budget for the EEC framework research programme. The present budget runs out at the end of this year.

At a meeting this week Britain and West Germany were given until the end of next week to decide whether they could back an Ecu 6.48bn (£4.58bn) joint research programme agreed by the other 10 EEC member states.

The British Government was the most isolated in the debate, refusing to consider any figure for the programme above Ecu 4.2bn (£2.97bn).

Mr Pattie, the Research Council's British representative, was scathingly critical of the failure to decide on adequate standards of monitoring and accountability for the budget.

It had been a hard struggle to get the Commission to accept proper and worthwhile monitoring and evaluation procedures, he said. Many researchers supported Europrogrammes because of the "gravy train" syndrome with generous grants and modest monitoring. They made an ideal combination.

The Community was now in the last year of the current four-year programme and yet nearly 30 per cent of the present budget for it was underspent.

"It is very difficult for anyone to even find out exactly what the current level of expenditure actually is," he said in a speech to the North West Surrey Political Action group in Egham.

"I find it offensive that the European Commission seems prepared to accept lower standards *of* monitoring and accountability than any of us would accept in our business or personal lives."

The minister said that if Europe were to meet the Japanese challenge, let alone beat it, it had to develop products that people wanted to buy and sell them in a genuine internal market.

Just adding a few noughts to the research and development budget would not head off the Japanese. They were masters of marketing and peerless at production engineering.

Geoffrey Pattie: EEC collaboration 'a shambles'

Date for court ruling on DTI action on journalist

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

A HIGH COURT judge will rule on Tuesday on a complaint by Department of Trade and Industry inspectors investigating suspected insider dealing that a financial journalist refused to co-operate with them.

The inspectors, Mr John Lindsay, QC, and Mr Peter Crozier, told the court htat articles on take-overs by Mr Jeremy Warner, now business correspondent of the Independent, led them to believe that he might have information about one or more insider dealing rings to which price-sensitive information was being leaked by civil servants.

Mr Warner refused to answer the inspectors questions about how he had obtained information for the articles, claiming his right as a journalist to refuse to disclose his sources.

The inspectors contended that Mr Warner's answers were necessary for the prevention of crime.

Yesterday, Mr John Mummery, their counsel, said it could be inferred that Mr Warner's sources were within the Office of Fair Trading, the Monopolies and Mergers Commission or the DTI. He said it was believed that information was being provided to insider dealers from within one of these bodies.

Mr Justice Hoffmann questioned that inference.

Mr Charles Gray, QC, for Mr Warner, said the inspectors appeared to have evidence about one insider dealing ring, so it was difficult to see what significant help Mr Warner could give about that.

They had tentatively suggested there might be a second ring, but that was highly speculative.

MPs told of 'problem' over AIDS records

By Ivor Owen

DOCTORS WHO avoid any reference to AIDS when recording the deaths of victims of the disease may be causing "a problem" in determining its prevalence in Britain, Mr Tony Newton, the Health Minister, told the Commons yesterday.

He agreed to consider the comments made by MPs during a debate on the AIDS (Control) Bill, a private member's measure designed to make regional and district health authorities and Scottish health boards produce detailed annual reports on AIDS statistics in their areas.

The bill was given an unopposed third reading and now goes to the House of Lords.

Mr Newton emphasised that the powers provided by the bill would not be used to breach the confidentiality given to AIDS sufferers.

He urged those who believed *that excessive publicity was* causing unnecessary public alarm to recognise that complacency would be a greater risk.

Mr Newton gave a warning that there would be very few parts of the country that did not have at least some experience of AIDS cases by the end of the century, although the scale and number would vary widely.

SHANGHAI 1910

6 OUT OF 10 CHINESE PREFER TO TAKE THEIR BECK'S SITTING DOWN

BREWED IN GERMANY. DRUNK ALL OVER THE WORLD

Accountants plan revised balance sheet standard

BY ANDREW TAYLOR

THE ACCOUNTANCY profession plans to put forward new rules in June aimed at quelling the controversy over the treatment of off-balance-sheet financing in company accounts.

The decision reflects the growing concern of the authorities, including the Bank of England, over the use of artificial schemes to remove debt from company balance sheets.

The Bank and the US Federal Reserve Board this month published joint guidelines requiring banks to publish provisions for a range of instruments, such as interest-rate swaps, which have been treated as off-balance-sheet items.

The Accounting Standards Committee said yesterday it intended to publish an exposure draft for a new accounting standard for off-balance-sheet financing at its meeting in June.

It also intends to introduce, in a separate move, a requirement for companies to disclose spending on research and development.

Companies that fail to adhere to the new standards would risk having their accounts qualified by auditors.

The new statement of standard accounting practice (SSAP) will cover schemes and arrangements used by companies to treat certain borrowings separately from their main accounts.

Those include the raising of finance by companies which, although controlled by a parent group, are not classed as a subsidiary under the Companies Act.

The standard is also expected to devise rules for companies such as retailers, which use subsidiaries for credit-card operations but do not consolidate the subsidiaries in the main accounts because they do not form part of the parent group's main business.

The principal recommendations of a working paper on off-balance-sheet finance, which is expected to form the basis o fthe exposure draft, was endorsed by the committee on Wednesday.

It says "all entities which are effectively controlled by the reporting company should be consolidated" in the group's accounts.

Transactions such as the sale and repurchase of goods to support raising finance, and which have a material effect on a company's liabilities or its right "to the use or enjoyment of an asset," should also be included in the accounts, the working paper says.

"If transactions and arrangements are not accounted for in accordance with their substance, the financial statements will not show a true and fair view. No amount of disclosure can make up for the use of an accounting treatment which is inappropriate."

The committee said yesterday that it had also approved plans to amend the existing SSAP 13 to require companies to disclose in their annual statements the amounts they spend on research and development.

That would, among other changes, require companies to disclose as a separate item the amount written off for research and development in the year under review. Extended guidelines would inform companies which items should be included, and which should be excluded for R and D.

Mr Michael Renshall, chairman of the committee, said: "There has been a growing tide of opinion favouring the disclosure of research and development expenditure. We consider this is information which can add to the usefulness of financial statements."

There has been widespread support from MPs and recently from a House of Lords select committee for more disclosure by companies of R and D spending.

Ronson to expand on Tyneside

By Lisa Wood

RONSON, the cigarette lighter maker, plans to create 780 jobs by 1990 at its manufacturing base in North Shields on Tyneside. About 100 people are employed there now.

Jobs will be created by expanding the company's lighter, butane gas and shaver spares business; by making pens and propelling pencils; by developing a newly acquired aerosol business; and by Ronson's property subsidiary subletting more factory units to outside companies.

Ronson, the UK arm of the Ronson Corporation, was acquired in 1982 by Mr Geoffrey Richmond, a Leeds businessman. It was known then as Ronson Products.

Mr Richmond has rebuilt Ronson's annual lighter sales from 100,000 in 1982—when turnover fell to £1.8m—to about 5m units. Turnover in the year to December 1987 will be about £10m.

Two weeks ago Ronson acquired Permaflex, a Stoke-on-Trent aerosol manufacturer and distributor of butane gas and lighter fluid.

This will enable Ronson to enter the UK aerosol market with the Permaflex brand name. The terms of the 1982 acquisition from Ronson Corporation had given Ronson a licence to make only cigarette lighters and associated flame products.

Ronson will also use the Permaflex name to sell its lighters in the US where it has been unable to do so because the Ronson Corporation holds rights to the Ronson name there.

Hall Russell loses Indian ship order

BY JAMES BUXTON, SCOTTISH CORRESPONDENT

HALL RUSSELL, the Aberdeen shipyard, appeared last night to have failed in its determined attempt to sell offshore patrol vessels to the Indian Government.

The company said India had told it the order for three ships would be placed with a South Korean shipyard, which would also supply materials to construct four sister ships in India. A Singapore company was also bidding for the contract.

The awarding of the contract to the South Koreans was bitterly criticised by Mr Alastair Lambie, Hall Russell's managing director. He said the price quoted by the South Koreans included "hidden and massive subsidies" and allowed "no contribution whatsoever for labour and overheads. The future for UK and indeed European shipbuilding is bleak unless these cynical practices can be countered."

The company would not disclose any details of the prices quoted. Earlier this year it put a figure of £150m on a potential order for eight ships.

Hall Russell, privatised by British Shipbuilders last year, employs 500 people. It is to discuss the effects of losing the order With its directors, managers and workforce. The yard has one ship under construction and some general engineering and ship-repair contracts.

The company pressed the British Government to give India financial help to back its bid, but was told it was up to India to request aid. However, apparently, India never did.

Greene King rationalises

BY LISA WOOD

GREENE KING, the Suffolk-based brewer, is to stop brewing at one of its three breweries.

Brewing at Furneux Pelham, Herts, will end this autumn with about six job losses. BBA bitter, the only brand produced there, will be produced at the company's main brewery at Bury St Edmunds. BBA bitter is one of the company's smaller brands.

Abbot ale is its flagship brand. Greene King said that concentrating production at Bury St Edmunds and Biggleswade Brewery, Bedfordshire, would increase efficiency.

Furneux Pelham will remain a distribution depot for pubs and free trade customers.

● Guinness Beverage Group, the Guinness subsidiary which handles all its drinks interests, is naming its spirits division United Distillers Group.

● Forshaws Burtonwood, the Warrington brewer, has terminated the employment of Mr John Wilson, a director of the company responsible for its property interests. No details have been given.

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Claims rush as deadline nears for Tsarist fund

By Nick Bunker

MORE THAN 70,000 picturesque relics of Tsarist Russia in the form of old bond certificates have arrived in the past week in the Buckingham Palace Road, London, offices of Price Waterhouse, the accountancy firm.

Claimants have to deliver their bond certificates to the Price Waterhouse Russian Fund office by Tuesday, March 31 if they are to share in the fund, which totals more than £40m. It was set up after an Anglo-Soviet agreement last year, to compensate people who lost money or property when Lenin repudiated Russia's foreign debts after the 1917 October Revolution.

As next week's deadline approaches, banks, insurance companies and ordinary British citizens who hold Tsarist bonds are rushing to make claims from the Russian Compensation Fund, set up by the Foreign Office a few months ago.

Price Waterhouse had received 12,338 requests for application forms by 3.30 pm on Thursday, of which 9,088 related to bonds, and 3,250 to property such as factories, farms or livestock confiscated by the Bolsheviks. Claimants who lost property have until June 30 to contact Price Waterhouse.

By Thursday afternoon, 2,490 completed application forms for refunds on bonds had reached the firm, said Mr Leslie Cousins, one of its partners.

A team of 50 people is working to log the 253,066 certificates so far received on to a computer, said Mr Cousins, who expects a further rush next week. He is keeping the Buckingham Palace Road office open until midnight on Tuesday to allow last-minute applicants to meet the deadline.

But Mr Cousins says the applicants so far have been fewer than expected — and certainly far fewer than the estimated 37,000 claimants who registered claims with the Foreign Office before it closed its Russian compensation files in the 1950s.

Reshuffle at Kleinwort Grieveson

By Clive Wolman

THE CHAIRMAN and chief executive of Kleinwort Grieveson Securities have both been forced to step down as a result of a reshuffle imposed from above by Kleinwort Benson Lonsdale, the merchant bank.

Mr John Brew, formerly chief executive of Grieveson Grant before it was acquired last April by Kleinwort Benson for £45m, has stepped down as chairman of KGS. Mr John Williams, who built up Grant's fund management business, has resigned as KGS chief executive.

The two will remain as directors of the company although neither has yet been allocated executive responsibilities.

Mr Brew's position is being taken over by Mr Jonathan Agnew, who joined Kleinwort Benson two months ago after serving as chief executive of the International Securities Regulatory Organisation. Mr Williams has been replaced by Mr David Clementi, who led the Kleinwort Benson team on the flotation of British Telecom and British Gas.

Mr Michael Hawkes, Kleinwort Benson chairman, said yesterday: "The core business of KGS needs to be oriented more towards corporate finance. The changes had to be made. We bought the business and it is up to us to run it."

Government aid for Open College

By Raymond Snoddy

THE GOVERNMENT has agreed to provide £15m financial backing for the Open College, the educational initiative aimed at using broadcasting to improve vocational training in Britain.

The Government has come up with the money over three years to establish the college, which is due to launch its courses on September 21.

When the plan for the college was first announced, it was envisaged that government money would be matched by money from industrial sponsors.

Miss Sheila Innes, chief executive of the college, is confident that she will be able to announce the first large industrial sponsors soon. Sponsorship packs offer companies a wide range of schemes ranging from sponsoring programmes, workshops or written material for courses.

Open College programmes will be broadcast nationally and will consist both of newly commissioned or existing programmes material.

More than 30 courses are planned for the first year. They range from a block of programmes on the skills of learning, German for business and exporting, and selling to China, to accounting and finance.

A block of courses will try to help people to set up small businesses. Electronics and computer literacy will also be catered for and there will be robotics and telecommunications in the second year.

A prospectus of Open College courses is expected to be published early next month.

The Open College this week signed a broadcasting agreement with Channel 4, which will make an hour a day available, from 1 pm-2 pm each weekday.

Tebbit rejects Tory criticism

BY JOHN HUNT AND JAMES BUXTON

MR NORMAN TEBBIT, the Conservative Party Chairman, yesterday rejected criticism from within his own party that he had made a tactical blunder by attacking the SDP/Liberal Alliance rather than the Labour Party.

It was also made clear yesterday that Mrs Thatcher and other senior figures in the Cabinet supported Mr Tebbit's tactics, in spite of worries that it might have contributed to the recent upsurge in support for the Alliance.

In a demonstration of solidarity, a series of ministers yesterday renewed their attacks on the Social Democrats and Liberals and it was aparent that it is intened to continue them in the run-up to the general election.

However, in response to disquiet among some ministers and backbenchers, the emphasis is likely to be switched to criticism of policies, and name-calling will be toned down.

Mr David Steel, Liberal leader, who was attending the Scottish Liberal Party Conference at St Andrews, was jubilant at the Gallup poll in yesterday's Daily Telegraph, which suggested that the Alliance had overtaken Labour and was in second place behind the Tories. It gave the Conservatives 37.5 per cent support, the Alliance 31.5 per cent and Labour 29.5 per cent.

Mr Steel challenged Mrs Thatcher to call an immediate general election but made clear that he thought October was the likeliest date.

Norman Tebbit . . . rejected Tory criticism

He said if Labour continued to stay below 30 per cent the Alliance would be "unstoppable." He would not make bombastic predictions on the basis of one poll, but the opportunity for the Alliance to overtake Labour at the general election was there, he said.

The Liberals and SDP were advancing everywhere. Labour and the Tories were speaking exclusively to their own heartlands but, he said, there were no "no-go areas for the Alliance."

Mr Tebbit, interviewed on BBC TV, agreed that some Conservative backbenchers had criticised his tactics against the Alliance.

He added: "Equally, I do have some supporters around the place and so does the Government—more and more of them."

On ITN news he dismissed the criticism as "a bit silly." He was also dismissive when it was suggested that one minister had said: "That bloody Tebbit has cocked it up again." Mr Tebbit said if he knew which minister was supposed to have said it, he would know how much credence to put on it.

Ministers who support Mr Tebbit pointed out yesterday it was essential for the Government to continue the attacks on the Alliance. They believe the difficulties within the Labour Party mean it is possible that the Alliance will continue to maintain considerable support in the polls and therefore will present a continued threat to the Government.

In a fresh attack on the Alliance yesterday, Mr Douglas Hurd, the Home Secretary, said that those who voted for the Alliance were voting for 12 or 18 months of furtive deals, intense manoeuvring and wavering policies. That would be followed by a second election in which Labour would be placed much better than it is today.

Mr Paul Channon, Trade and Industry Secretary, gave a warning that in many Conservative-held seats, a vote for the Alliance might depress the Conservative vote and help to elect a Labour member.

Why Labour is not done for yet

Peter Riddell on the strengths and weaknesses of the Opposition

MR BRYAN GOULD, Labour's ubiquitous and highly effective campaign co-ordinator, was not entirely whistling in the dark when he said on the BBC yesterday that the party still had "many shots left in its locker."

March has unquestionably been a miserable month for Labour, and particularly for Mr Neil Kinnock, the party leader. It saw Labour's defeat at Greenwich and the subsequent frank post mortem examination on the "loony left," the internal divisions over defence and, most recently, the opinion polls showing support falling back steadily.

So yesterday's Gallup poll in the Daily Telegraph putting the SDP/Liberal Alliance in second place, with Labour at its lowest rating since before Mr Kinnock's election in 1983, looked the final straw.

It is, however, too early to write off Labour in spite of the natural glee of Mr David Steel, the Liberal leader, in claiming that the Alliance had "elbowed Labour out of the way." Labour still has many strengths, particularly in the industrial areas far from London.

First, however, the had news for Labour. The accompanying graph shows the average of the main polls—and thus irons out the possibly erratic fluctuations shown by any one survey.

The message is clear. In the past two months, Labour support has dropped by about 6 to 7 percentage points. The Tories has fallen back fractionally, and the Alliance has risen from about 21 per cent to 22 per cent to just under 30 per cent.

NO 16—8/8½

The transfer has, therefore, been primarily from Labour to the Alliance, although with some fall in Tory support in the latest two or three polls. The news background could not, of course, have been more favourable for the Alliance after the healing of its defence split, its successful Barbican rally at the end of January and its wins in the Greenwich and Truro by-elections.

Labour has clearly been damaged by public perceptions that it is divided. About three quarters of the Gallup sample, including 49 per cent of Labour supporters, see the party as divided. By contrast, many more voters now regard the Alliance as united than did so last autumn. In the past, such perceptions have proved to be the key influences on voting intentions.

The hope for the Alliance, and the danger for Labour, is that recent poll trends might feed on themselves. If there are more polls showing the Alliance second, a more fundamental shift might occur. That sizable proportion of the electorate which says it might consider supporting the SDP and Liberals if they appeared to have a chance of winning actually might switch its vote.

However, such a spiral of decline looks unlikely at present. Labour, or at least its parliamentary leadership, is not yet in quite the fatalistic state that it was in just before the 1983 election. Even yesterday the leadership was showing signs of pulling itself together with a co-ordinated series of speeches by members of the Shadow Cabinet.

Having looked into the abyss produced by the internal rows a fortnight ago, there are signs of greater self-discipline. But the strains might easily re-emerge—over defence, over the hard left in London and over the organisation of black sections in defiance of the national executive.

The optimistic, or rather less pessimistic, view taken by some leading Labour party members is that the present poll position is somewhat artificial. Provided restraint is exercised, Labour could benefit from campaigning over the next month in its strong areas of jobs, health, education and crime.

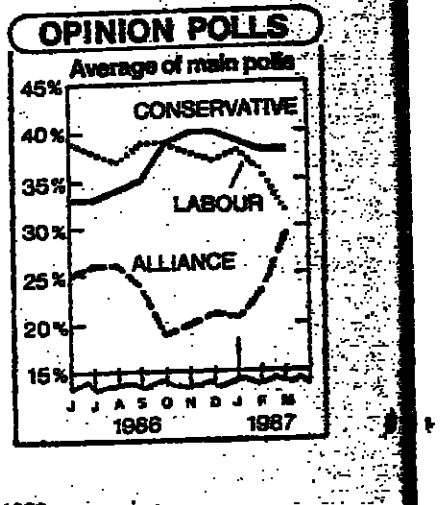
The party also stands to do well in the local elections on May 7 when comparison will be with seats fought in 1987, a good Tory year.

More fundamentally, Labour has its regional strengths in Scotland, Wales, northern England and the Midlands. The arguments over the hard left generally do not apply there. But that is a recipe for halting decline rather than for victory. The party is still far from being in a position plausibly to claim to have a chance of winning an overall majority.

Labour's hopes rest on denying the Tories an overall majority with the Alliance doing reasonably well, but not as well as recently and not at Labour's expense.

The Alliance also stands to make sizable gains in May but, afterwards, in the absence of any by-elections, there may not be many news events to boost its standing.

Consequently, the Alliance's poll rating might drift down during the summer, perhaps to the 24 per cent to 26 per cent range. That would still be a very strong starting-point for a general election when compared with the less than 20 per cent recorded at the start of the 1983 campaign.



All that complicates Mrs Thatcher's election decisions. The recent polls indicate a hung parliament without an overall majority. If continued, that might halt the recent bandwagon for a June election. Many leading Conservative members would be reluctant to start an election with the Alliance still advancing and the Tories' rating below 40 per cent. Ministers hope the current Alliance surge may subside in the summer—something that might tilt the balance towards an early autumn election.

A complication is how to attack the Alliance without producing a switch in its favour, as appears to have occurred in the past week. That has led to the unusually public soul-searching about the tactics of Mr Norman Tebbit, the Conservative Party chairman.

A dilemma for Mrs Thatcher is when to indicate her decision. By wating until after the May 7 elections she could appear to be dithering. Some ministers believe that the early election fever needs to be cooled before then.

Maxwell helicopters arm to cut jobs

BY LYNTON McLAIN

BRITISH International Helicopters, chaired by Mr Robert Maxwell and part of the Mirror group, is to make 100 people redundant at its Aberdeen base.

The company attributed its difficulties to the decline in the North Sea oil industry and the accident in November when one of the company's twin-rotor Boeing Chinook helicopters crashed off Shetland, killing 45 people.

BIH said that "unexpected, tragic disaster added to our economic problems."

The proposed redundancies include both management and workforce. The company wants voluntary redundancies initially, but will demand redundancies on a "last in, first out" basis if enough volunteers are not available.

That will be subject to maintaining a balance of skills and the company's requirements.

The company said the fall in exploration in the North Sea oilfields had weakened demand for its services. One effect had been for the oil companies to negotiate only one- to two-year helicopter contracts in place of the five-year contracts common recently.

British International Helicopters was formed when Mr Maxwell, chairman of the Mirror Group, took over British Airways Helicopters last September.

Action ruled out on civic lease plan

THE DISTRICT Auditor has ruled out taking action against Manchester Council over its proposals to lease £200m worth of civic buildings to raise money.

Mr Robert Hutchings told the council's Liberal Group, which complained to him about the move, that there were insufficient grounds for taking formal action against controlling Labour councillors' plans to lease the properties to generate an extra £36.5m in the budget.

CAA criticised for 'failing to act on safety plans'

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE CIVIL Aviation Authority has come under attack from the Manchester fire service for allegedly failing to implement adequately the recommendations for improved safety in airliners made by the inquest jury into the Manchester Boeing 737 disaster on August 22 1985, in which 55 passengers and crew died.

A report by Mr Tony Parry, head of the Greater Manchester Fire Service, suggested that the authority was not implementing the safety recommendations because they would "present a financial burden to the operators in loss of revenue."

The inquest jury had recommended that an entire row of seats on airliners, next to the mid-cabin escape hatches, be removed.

However, the Civil Aviation Authority had argued that that was not the best way of aiding evacuation. In the authority's view, it would risk jamming the exits with people in an emergency.

The authority said it had required British airlines to remove the seat next to the mid-cabin escape hatch, or to widen the gap between the adjacent row of seats. That would allow access to the exit while avoiding congestion.

In a report to the Manchester Airport Consultative Committee, Mr Parry rejected the authority's response to the inquest jury's recommendation. He said the Transport Department's Accidents Investigation Branch had also recommended removing the row of seats next to the over-wing exits, to ease evacuation.

The Manchester Airport Consultative Committee has asked the authority for its comments, but individual members of the committee yesterday expressed strong feelings.

Mr Sean Rogers, a local councillor on the committee, said: "You can't put a price on safety. Are they [the CAA] more concerned with profit margins than safety regulations, and more concerned with commercial interests than the interests of passengers?"

Mr Rogers added that if there were a fire today on take-off or landing, "people would not be one iota safer than they were on August 22 1985."

Airlines to cut transatlantic standby fares

By Michael Donne

THE BATTLE for cheaper air fares across the North Atlantic will intensify this spring as British Airways and British Caledonian offer cut-price standby fares on their routes between Britain and the US.

The London-New York rate will come down to £179 single, a reduction of £90 on the cheapest full economy single fare. The Los Angeles standby rate will be £259 single, against the cheapest single conomy rate of £383.

The proposed rates are subject to the approval of the UK and US authorities and are designed to help last-minute travellers who do not wish to be tied to specific return dates and who can fill empty seats available each day.

● British Airways is starting an internal "complaints hotline" as part of its campaign to improve its service to passengers.

The decision follows this past week's outburst at Heathrow by film star Joan Collins who found that her first-class seat had been overbooked.

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161	118	Ass. Brit. Ind. Ordinary	160	—	7.3	4.6	9.8
163	121	Ass. Brit. Ind. CULS	163	—	10.0	6.1	—
40	28	Armitage and Rhodes	38	—	4.2	11.7	5.0
80	64	BBB Design Group (USM)	76	—	1.4	1.9	17.5
222	166	Bardon Hill Group	221	—1	4.6	2.1	25.1
113	55	Bray Technologies	113	+1	4.3	3.8	13.4
138	75	CCL Group Ordinary	133	—	2.9	2.2	9.4
107	86	CCL Group 11pc Conv. Pf.	100	—	15.7	15.7	—
271	116	Carborundum Ordinary	267	—	9.1	3.4	12.9
94	90	Carborundum 7.5pc Pf.	94	—	10.7	11.4	—
125	75	George Blair	92	+1	3.8	4.1	2.4
116	57	Ind. Precision Castings	116	—	6.7	5.8	10.4
176	119	Isis Group	121	—	18.3	—	—
124	101	Jackson Group	124	—	6.1	4.9	8.4
377	290	James Burrough	369	+1	17.0	4.6	10.4
100	89	James Burrough 9pc Pf.	92	—	12.9	14.0	—
1,035	342	Multihouse NV (AmstSE)	665	+5	—	—	34.9
380	260	Record Ridgway Ordinary	361	+1	—	—	8.4
100	83	Record Ridgway 10pc Pf.	86	—	14.1	16.4	—
91	67	Robert Jenkins	88	—1	—	—	3.9
76	30	Scruttons	76	+2	—	—	—
154	67	Torday and Carlisle	154	+1	5.7	3.7	8.3
340	321	Travian Holdings	324	—	7.9	2.4	6.7
91	42	Unilock Holdings (SE)	88	+1	2.8	3.2	16.2
130	65	Walter Alexander	130	—	5.0	3.8	12.4
200	190	W. S. Yeates	193	—	17.4	9.0	10.7
106	67	West Yorks Ind. Hosp. (USM)	102	+2	5.6	5.5	14.6

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Motor industry chief hails car output 'renaissance'

BY JOHN GRIFFITHS

THE UK motor industry is undergoing a renaissance, with new car production running at an annual rate of 1.2m units, Mr Sam Toy, president of the Society of Motor Manufacturers and Traders, said yesterday.

In the next two to three years that might easily rise to 1.5m a year, nearly 70 per cent above the post-war low reached in 1982, the former Ford UK chairman said at a meeting of the Fleet Street Motoring Group.

Now that the industry had put its house in order, it was time for the Government "to come to the party with us"—and stop discriminating against the industry with the 10 per cent Special Car Tax and other market-depressing measures.

Their net effect was to make UK consumers pay £500 to £550 more per typical family or fleet car than their counterparts in West Germany, the cheapest "open" market in the EEC, Mr Toy said.

Last year 1.88m new cars were sold in the UK, a record second year running. West Germany, with a similar population, had a natural market ranging between 2.1m and 2.8m. "That size of market is what the UK's ought to be," Mr Toy said.

Sam Toy: wants Special Car Tax removed

In its long-running campaign to get the tax lifted, the industry unwittingly created a rod for its own back several years ago by saying that a UK market of 2m cars might be created if the tax were abolished. At the time, annual sales were under 1.7m units.

The Government's main counter-argument then, apart from an initially estimated £600m loss of tax revenue, was that it would serve only to suck in more car imports.

It has recently been able to argue that the trend is towards the 2m market even without removing the tax, with sales of 1.95m units possible this year.

That was missing the point, Mr Toy said. The "natural" market level might therefore be 2.2m to 2.3m units. It was up to the Government to "lift the lid off the market."

UK unions had long since recognised that the need for higher productivity meant fewer jobs, he said. Manufacturers recognised that there had been too many years of little or no investment in manufacturing technology — hence current capital investment programmes totalling £300m a year.

Most EEC countries had about a 35 per cent share of new car sales taken by imports, Mr Toy said. The "natural" level for the UK was about 40 per cent imports, with a trend towards that level under way.

Daf-Leyland 'will be profitable'

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

THE COMPANY to be formed from the merger of Leyland Trucks, the state-owned Rover Group subsidiary, and Daf, of the Netherlands, would be profitable from the outset, Mr Graham Day, chairman of Rover, said yesterday.

He told shareholders that disposal of the Leyland Trucks and Leyland Bus operations was essential to stop the outflow of cash and stem the losses, running at £1.5m a day, which Rover could not afford to fund.

However, the Daf-Leyland company would benefit from incremental sales, and significant loss-makers would be removed before the merger was completed. The joint company, in which Rover will have a 40 per cent shareholding, would also incorporate the profitable Freight Rover van business, Mr Day said.

He was speaking during two extraordinary meetings at which the 64 shareholders present overwhelmingly approved the Daf-Leyland merger, removed restrictions on Rover's borrowing and authorised the issue of new shares, which will enable the Government to inject another £680m cash in return for equity. That will increase the state shareholding from 99.7 per cent to 99.8 per cent.

Mr Day rejected suggestions from some shareholders that Rover was selling off companies too cheaply.

He said that during his first 11 months with Rover, everything that had been done had in his opinion been aimed at turning the business round.

Mr Day said he believed there was a way forward, but it would not be easy. "We are doing better and our people know they are doing better."

Answering questions, Mr Day said there were no plans to buy out the minority shareholders, but the matter was kept constantly under review.

BBC appoints heads of resources

FINANCIAL TIMES REPORTER

MR Michael Checkland, director-general of the BBC, has appointed new heads of resources for BBC radio and television.

Mr Cliff Taylor will be in charge of resources in television and Mr Duncan Thomas in radio. Both men, who are in their mid-40s, will be responsible for overseeing manning levels, operational practices and costs.

They are also likely to be key members of a committee to be set up in the BBC to identify, within the next six months, potential savings of £70m a year. That is the eventual annual shortfall in income expected because of the linking of the licence fee to the retail price index.

The appointments are part of Mr Checkland's drive to make the BBC more efficient.

Halifax in £27m deal for rented homes

By Hugo Dixon

A BUILDING society, housing association, builder and local council have agreed on a joint £27m scheme to help to resolve the crisis in Britain's rented housing market.

The scheme is said to be the largest housing project undertaken by a society and will take about 1,000 people out of bed-and-breakfast accommodation.

It comes when the Government is keen to see initiatives to revive the rented market. Some of the largest societies are also getting involved in housing development as a means of reasserting their philanthropic roots.

Homeless families

Under the scheme, the Halifax Building Society, Britain's largest, is to lend £27m to the Notting Hill Housing Trust, one of the biggest housing associations in the country. The trust will use that money to buy 236 homes in west London from Barratts, the builder, and then lease the properties to Ealing Borough Council at market rents of about £100 a week.

The council will then allocate the homes to homeless families in its borough, charging them subsidised rents of about £20 a week. That will still be cheaper for the council, which is paying for the families to be housed in bed-and-breakfast accommodation.

The rent paid by the local council will be used by the trust to pay back its loan to the Halifax. The trust's streams of income and expenditure should roughly match because the loan is index-linked, with repayments increasing in line with inflation.

Profit projected

Projections show that the trust should make a profit of about £100,000 a year on the deal, which it has promised to reinvest in rented housing in the borough. However, the council has agreed to make up the difference in case of any shortfall in the trust's finances.

The announcement by Mr John Patten, Housing Minister, this year, that he did not want councils giving this type of indemnity to third parties casts some doubt on whether the scheme could be repeated in exactly the same form.

However, councils, building societies and housing associations are working on a number of variations which they hope will bypass such objections.

Home Office sets deadline for prison staff ballot

BY DAVID BRINDLE, LABOUR CORRESPONDENT

THE Home Office threatened yesterday to withdraw its radical Fresh Start pay and conditions package for the prison service if the Prison Officers' Association fails to ballot its 19,000 members on the proposals by Easter.

The threat came after Mr John Bartell, the POA chairman, told Mr Douglas Hurd, Home Secretary, that the union could not meet the deadline for a decision on the package.

The Home Office believes the union's leadership is deeply divided on the principles underlying the proposals. It does not accept Mr Bartell's argument that considering the offer will take "a good six weeks" and require a delegate conference before a ballot.

Mr Eric Caines, the prison department's personnel director, said last night: "There will be a point at which Fresh Start will have to be withdrawn—and that point will come far sooner than six weeks."

The clash between the Home Office and some POA leaders suggests a re-emergence of the tensions which lay behind last year's bitter dispute in the prison service. The Home Office has maintained that the dispute, which prompted the Fresh Start negotiations, arose from divisions within the union.

Mr Caines said that if the offer was withdrawn, the only other course for the service would be "long-term attrition" and steady reduction of officers' earnings as overtime was phased out.

The final version of the Fresh Start package, tabled last Thursday, envisages a salary of £15,638 for an officer at the top of the scale who contracts to work 48 hours a week. The total number of contracted hours would gradually fall to 38 by 1993, but with no pay cut.

Mr Bartell said yesterday it would be impossible for the POA to meet the Home Office's April 13 deadline — though this is likely to be flexible in terms of days, rather than weeks — in view of the need for the union's executive committee to hold several meetings, for a conference to be held, and for a ballot to be organised.

The Home Office believes this may be a ploy to wreck the chances of a deal and intends to send each prison officer full details of the offer in the hope that grassroots pressure will force an early ballot.

AEU faces splits at conference

BY PHILIP BASSETT, LABOUR EDITOR

SHARP divisions are expected over talks between the engineering unions and employers on greater work flexibility at next month's annual conference of the Amalgamated Engineering Union, the sector's main union.

Although the right-wing majority on the AEU's policy-making national committee should ensure talks continue between the unions and the Engineering Employers' Federation, a series of motions on the committee's agenda, published yesterday, shows that opposition will be vociferous.

Talks on shorter hours in return for greater flexibility are due on Monday.

Most of the resolutions listed for debate at the AEU committee in Eastbourne in just over a week strongly criticise the talks, especially over yielding gains made in return for a reduction in working hours.

Many call on the AEU to withdraw from discussions. Some suggest putting any agreement back to a recalled meeting of the national committee, to be followed by an individual membership ballot if necessary.

AEU left-wingers are also highly critical of single-union, strike-free agreements made by the union. Motions—again likely to be defeated—tell the union's leaders to stop making such deals.

Other resolutions attack the EETPU electricians' union, which has signed most of these agreements and with which the AEU is in merger talks.

Some motions call for the talks to be broken off, and others suggest any merger should be rejected unless the EETPU accepts that AEU policy of electing all its officials is retained.

Further resolutions call for the AEU to press for the EETPU's expulsion from the TUC over its role in the News International dispute

Lecturers seek redrafted conditions

BY OUR LABOUR CORRESPONDENT

LEADERS of Natfhe, the college lecturers' union, are to draw up counter-proposals for the conditions attached to an overall 9.3 per cent pay offer tabled by the employers yesterday.

The offer, part of a radical package designed to make further education more adaptable to industry's training needs, would be phased and cost local authorities 7.1 per cent in 1987-88.

There would be a 4 per cent salary rise from April 1 and a further increase averaging 5.3 per cent from September 1, when changes in working practices would take effect.

The maximum annual pay of a college lecturer would rise to £14,500 and the maximum of a senior polytechnic lecturer would increase to £17,500. A principal lecturer could earn up to £21,500. College principals and vice-principals would receive 15.7 per cent rises.

Natfhe described the pay offer as inadequate. However, it is likely to be more concerned about the conditions, which the union is to redraft. They include a specified maximum teaching limit of 22 hours a week, rising to 26 hours for up to 10 consecutive weeks.

Ealing rate increase delayed by dispute

By Kevin Magee

THE COUNTRY'S largest rate increase — the 65 per cent rise agreed by the Labour-controlled London Borough of Ealing — cannot be implemented next week because of a three-weeke-old strike by the authority's 2,000 white-collar staff.

The council, branded by the Government as free-spending and left-wing, is standing firm on its refusal to meet a local pay claim by Nalgo, the local-government union.

The strike, the borough's first white-collar dispute, has led to much soul-searching among Labour councillors and union leaders. The authority accepts the legitimacy of the action, and some of the 47 Labour councillors are Nalgo members.

The strike is over a London allowance anomaly. The union wants an annual London "weighting" payment of £1,395, comparable to staff in inner-city boroughs. Ealing pays white-collar staff an outer London allowance of £738, although the borough's manual workers and teachers receive allowances of £1,020 and £1,215 respectively.

Mr Len Turner, council leader, said: 'Our budgeting for the year is complete. Unfortunately for Nalgo, they did not make their claim at the right time. It is a toss between meeting their demand or shedding jobs."

Taking into account government penalties for overspending, the council calculated that the claim would cost £7.4m a year. Ealing is already considered a prime candidate for rate-capping in 1988-89.

The strikers have been offered a £1m package giving weekly pay rises of between £1 and £4 including a £116 lump-sum payment to compensate for lost pension contributions.

Nalgo has claimed, however, that the council can meet its claim in full. Mr Graham Southgate, Nalgo branch publicity officer, saidf: "We know they can afford it because our members are the people who draw up the council's financial plans."

Mr Turner is keen to avert what may be seen as an embarrassing clash.

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THE CO-OPERATIVE BANK

Bill to extend pub hours given second reading

BY IVOR OWEN

THE PRIVATE Member's Bill that seeks a change in the licensing laws, permitting pubs in England and Wales to open for up to 12 hours between 10.30am and 11.30pm from Monday to Saturday, was given an unopposed second reading in the Commons yesterday.

It was a surprise, and a belated victory for the supporters of the bill, which because of a lack of debating time failed to make progress when it first came before the House on January 30.

According to Mr Robert Hayward, Conservative MP for Kingswood, it has "a slightly better than 50:50 chance" of becoming law, although its componentssti ll say they can prevent it from reaching the statute book.

The Licensing (Amendment) Bill will now come under close scrutiny in committee.

Mr Nigel Spearing, Labour MP for Newham South, attacked the bill, saying it would lead to more late-night violence.

But the move was strongly supported bmy Mr Gregor Mackenzie, Labour MP for Glasgow, Rutherglen, a former Labour Scottish Office Minister and a magistrate.

He said relaxed licensing hours in Scotland had greatly benefited working people, who could "spread" drinking over longer hours.

Mr Allan Stewart, Conservative MP for Eastwood and the former Scottish Health Minister who introduced the bill this year, emphasised that there would be no free-for-all in pub opening hours.

Instead, there would be a "very modest and controlled measure of increased flexibility."

Mr Stewart said at Westminster last night: "Supporters of the bill on all sides of the House are obviously absolutely delighted that it received a second reading today and will now go into committee.

"As a Scot it is a particular pleasure to me that members have taken such full account of the Scottish experience.

"It is historic that the House of Commons has now decided in principle that licensing hours in England and Wales should be reformed and the many nonsenses of the present system swept away."

Changes in law prompt Baltic exchanges merger

BY DAVID BLACKWELL

THE BALTIC International Freight Futures Exchange is to join three other futures exchanges at London's Baltic Exchange to reduce the costs of becoming a recognised investment exchange as required by the Financial Services Act.

Biffex trades a contract based on an index of representative dry cargo rates. It said that, after a ballot of its members, the board had agreed to negotiate with the other markets "with a view to forming a new futures exchange in order to seek RIE status."

The three exchanges involved are the London Potato Futures Association, the Soya Bean Meal Futures Association and the London Meat Futures Exchange. They agreed at the beginning of this month to merge, so avoiding duplication of the regulatory and administrative costs of becoming an RIE.

Their new exchange was to have been known as the Agricultural Futures Exchange, but a change of name is now certain.

Biffex had been undecided whether to merge with the other Baltic Exchange markets or to join the London Commodities Exchange when it moves to Commodity Quay this year.

Biffex said the exchange was strongly linked to the Baltic by the presence there of the physical market for shipping contracts and the fact that the Baltic produced the index on which Biffex based its trade.

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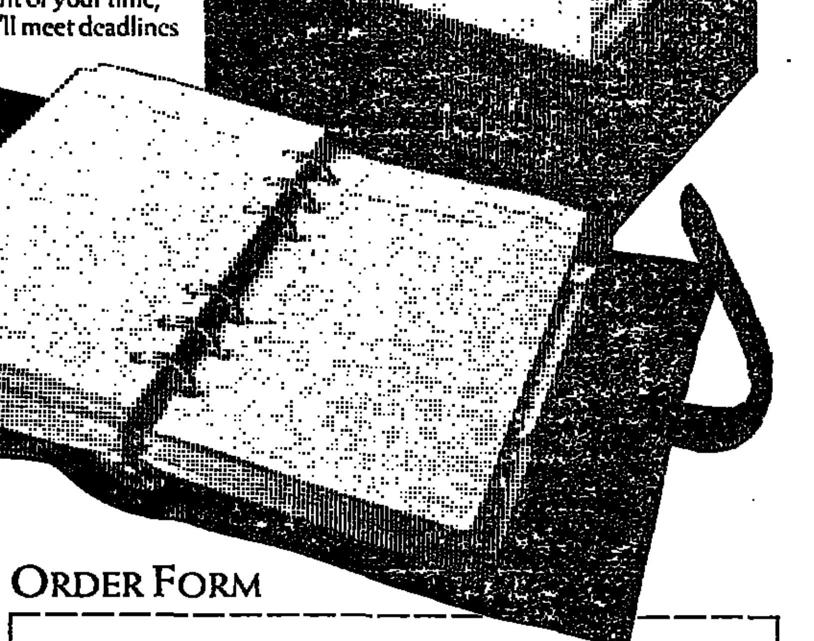

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Saturday March 28 1987

The spectre of trade war

THE outlook for a harmonious expansion of world trade has rarely looked less encouraging. The Gatt Secretariat in Geneva has just released a depressing analysis of trade trends in 1986 and is forecasting a further slowdown this year. Meanwhile the leading industrial nations are rising to this challenge by indulging in crude protectionism and xenophobic bickering. An impartial observer from Mars would have to conclude that most politicians in most countries are indifferent to the fate of the liberal world trading order.

Japan in particular has been showing *its least liberal and* least flexible face in the past fortnight. *The cavalier treat*ment of British and American *companies bidding in good faith* for a slice of the Japanese tele*communications market is quite* indefensible. It was the old, bureaucratic and *inward-looking* Japan at its worst, as *enlightened ministers* such as Mr Nakasone and Mr Miyazawa would be the first to admit.

This bad Japanese decision, however, is only slightly more worrying than the protectionist reaction it elicited in Britain. Mr Alan Clark, the Trade Minister, was moved to tell the House of Commons that there was no evidence that Japan was honouring undertakings to open its markets to foreigners. The truth is rather different. There are many signs of changing attitudes in Tokyo; it is just that trade liberalisation for Japan is a problem of the magnitude of reform of the Common Agricultural Policy for the EEC. Overnight solutions are not available given the power of lobbyists and special interest groups.

More revealing even than Mr Clark's remark was the way the House responded with fury to the news that Britain had run a trade deficit of £3.7bn with Japan last year. Most MPs presumably belong to the school of opinion that holds that all countries should always run trade surpluses with all their competitors, and *that a deficit* is necessarily proof of dark underhand deeds. Mr John Smith, the shadow Trade and Industry *Secretary, to his disgrace,* urged Mr Clark to "do *to the Japanese what they do* to us."

Fresh sanctions

Mrs Thatcher's response to the Japanese telecommunications decision was only slightly more enlightened. She talked darkly of the possibility of retaliation and pointed out that the Financial Services Act would give the Government new powers to restrict the UK operations of Japanese financial institutions.

Meanwhile, the US looks set to impose fresh sanctions on efficient Japanese electronics companies that are alleged to have violated the US-Japanese semiconductor trade agreement. That "accord" was struck mainly because Japanese companies were able to produce memory chips much more cheaply than their US competitors. It has probably imposed higher costs on the US economy —and ultimately the consumer —than the alleged dumping it was supposed to prevent.

The worrying thing about UK *and US trade rhetoric* (and too often actions) is its unconscious *acceptance of thoroughly mer*cantilist arguments. This is *evident in the tit-for-tat empha*sis on reciprocity and retaliation. *The notion is that* restricted access to Japanese *markets should be countered by* restrictions in the West and "*concessions*" *here should be* granted only if matched in Asia.

Trade policies

Such an attitude shows no understanding of the free trade system. Of course the world would be a better place if all markets were as open as possible. But the second best *solution is not* to behave as though two blacks make a white. Countries can gain by *opening* up their markets even if their *actions are not matched* by competitors.

The Gatt report only serves to underline the need for more *liberal trade policies.* It describes 1986 as one of the poorest years in three decades for trade in manufactures and highlights the particular difficulties of developing countries: their share of world exports has fallen to only 19 per cent from 28 per cent in 1980. The Gatt forecast of a miserable 2½ per cent expansion of world trade this year (lower even than in 1985 and 1986) confirms the series of gloomy growth forecasts from individual member countries.

Faster world trade growth is essential if developing countries are to have a realistic chance of servicing their enormous debts and if the industrialised world is to bring unemployment down to acceptable levels. It will be achieved only if the leading countries strive for more harmonious trading relations and, above all, recognise the linkage between macroeconomic imbalances and trade disputes. Today's friction is in quite large part a legacy of yesterday's inappropriate exchange rates and divergent fiscal and monetary policies. The Plaza and Paris Group of Five agreements at least point to an awarenes of the need for more coordination even if actual progress is slow.

THATCHER MEETS GORBACHEV

To Russia with an election in mind

By Peter Riddell, Political Editor

A CONSERVATIVE Prime *Minister goes to Moscow* in an election year to re*pay a visit by a firmly estab*lished Soviet leader.

The aim is "to see something of the people, industry and agri*culture of the Soviet Union,* and to have talks with the *Soviet leadership,"* but emphatically not to negotiate.

There is *some drama and* plenty of melodrama—and the *whole visit* is portrayed as a triumph back home by the press and television.

This account of Harold Mac*millan's* visit to Moscow in February 1959 by his faithful press secretary Sir Harold Evans is likely to find many echoes during Mrs Thatcher's five-day trip to the Soviet Union starting today.

In the age of the super powers, a visit to the Soviet Union by a British Prime Minister is always likely to be longer on talking and razzmattazz than on decisions and announcements.

The main significance is domestic rather than international. In 1959 Mr Macmillan caught the imagination of the British public, and cartoonists, by arriving wearing a white fur hat. (His tour then was covered by amongst others Malcolm Muggeridge Randolph Chur

Equally, now, Mrs Thatcher's programme has been carefully prepared with *more than an* eye for newspaper readers, and *particularly* television viewers, at home.

Talks with Soviet leaders have been liberally mixed with what British Government officials described as "spectacular days." A visit to a Russian Orthodox monastery, including lunch with the monks, will be followed by a walkabout in a Moscow suburb, a visit to a crystalogical institute to pursue her student interest in chemistry and, last but not least, a day trip to Tblisi in Georgia for sight-seeing and dinner with the local Communist Party.

As with all of Mrs Thatcher's international and election tours there will be plenty of photo opportunities. The message will be that here is an experienced international statesman, the longest-serving western leader, being treated as such by a super power ("the red carpet treatment" as the tabloids have already dubbed the trip). It will no doubt reinforce the impression left by Mrs Thatcher *after her first meeting with Mr* Gorbachev at Chequers in *December 1984 that* he was a man she could "do business with."

The contrast with the per*functory* and cool reception given in the US to Mr Neil Kinnock, *the Labour leader,* over the past two days will be *rammed home by the series of* dinners, receptions and lengthy *talks which Mrs Thatcher will* have with Mr Gorbachev.

Some Fleet Street papers have already tried to build up *Mrs Thatcher's role as a peace*maker and to present her as *an international go-between* negotiating an agreement *between the US and the Soviet* Union on the removal of intermediate range nuclear missiles (INF) from Europe. One paper has talked of "Maggie ready to do deal with Gorbachev."

Mrs Thatcher entertains no such illusions. She is aware of the limits of Britain's position and influence. She will not do a deal: the super powers will. On the INF issue Britain and other European countries do, of course, have a special interest since the cruise and Pershing missiles are sited there and the SS20s are aimed at them. To that extent the visit does have some real international significance.

Following her talks last Monday with President Mitterrand and Chancellor Kohl, Mrs Thatcher will be able to express European concerns about the imbalance of shorter-range missiles. She will stress the need for a clearly defined ceiling on those in the *500 to 900-kilometre range* and a follow-on agreement on shorter-range missiles after any INF deal.

On the other side, Mrs Thatcher and Sir Geoffrey Howe will be able to give a full view of the Soviet position to other *European leaders, and* to the Americans when the Foreign Secretary goes to Washington in under a fort*night's time before the visit* to Moscow by Mr George Schultz, the US Secretary of State. But as the British side *is well aware, the role of mes*senger, albeit a respected and *influential one, is very different* from that of negotiator.

Apart from arms control, Mrs Thatcher has said she particularly wants to see how far the Soviet Union and attitudes there have changed in the two years since Mr Gorbachev took over. On human rights she wants to see whether controls are being relaxed. There will be at least one meeting with a prominent dissident.

Soviet trade deals worth several hundred million pounds have also been lined up — including major projects and plans to give UK groups access to Soviet new technology.

The real political test of the visit is likely to be simpler. Will Mrs Thatcher be able to obtain reassurance from Mr Gorbachev about the INF talks and the implications for later discussions on the balance of shorter-range missiles and conventional force in Europe? She knows that the US wants to be able to claim that European, and specifically British, interests have been safeguarded.

As a pre-election ploy, the visit may reinforce the Tories' position. But its domestic political significance may have been reduced by *the latest* opinion polls which make an *early election less likely.* By the autumn the next five days *will have been long forgotten.*

But Mrs Thatcher may like to remember that in the month after Mr Macmillan's Moscow trip *in 1959* his approval rating rose by three percentage points and the *Tories'* standing increased by two points to equal *Labour, providing the base for* a landslide Conservative victory *the following October.*

WALKING IN THE SHADOW OF MR SHULTZ

LOOKING BACK at other official visits to the Soviet *Union,* one *Moscow diplomat* notes this week that few had left either side much the wiser about the fears and *hopes of the other. The de*sire of Western statesmen in Moscow to appear conciliatory, and tough at the same time, coupled with a similiar desire on the Soviet side, leaves little opportunity for either to learn anything useful or new.

The problem for Mrs Thatcher is that nuclear arms control, the main topic to be discussed, is an issue on which the real decisions will be taken in Washington. By his announcement on February 28 that the Soviet Union was prepared to negotiate about medium-range nuclear missiles in Europe, Mr Gorbachev removed what might otherwise have been the most important issue in Monday's *talks between the leaders.*

Any British role as inter*locutor between the US* and Soviet Union is further under*cut by the imminence of the* visit of Mr George Shultz, the *US Secretary of State, who* arrives in Moscow on April *13 for what may prove to be* decisive talks *on medium-range missiles.*

Given that the Soviet Union has now moved to the practical and operational phase of a missile agreement, it is not surprising that the main interest in Moscow is the Shultz visit.

Mr Anatoly Dobrynin, the party secretary for foreign affairs and the chief architect of Soviet foreign policy, appears to have decided that the most Moscow can expect during the last years of the Reagan Administration is a deal on medium-range missiles in Europe.

The decision to consider *this issue separately from the* package of measures dis*cussed at Reykjavik last* October probably indicates *that the Kremlin has given up* hope of getting anywhere on *strategic weapons or the* strategic defence initiative.

This means that at this stage of negotiations on nuclear disarmament, the future of the British and French deterrents is not a live issue. Major General Yuri Lebedev of the Soviet General Staff, said this week that "once the United States and the Soviet Union take the first step it will be very difficult for European nations to abstain from joining in the process." But his emphasis was on the next stage of disarmament.

Here Mr Gorbachev will want to stress to Mrs Thatcher the Soviet desire *for stringent verification of* an agreement and its opposi*tion to cruise missiles being* restationed offshore or *Pershing II missiles converted* into shorter-range weapons.

He will also argue that having acceded to pleas to *break medium-range missiles* in Europe out of the Reyk*javik package, he does not* want to see agreement *blocked by a new package* linking medium-range missiles *to short-range* weapons and conventional forces.

The Soviets' aim may be less to use Mrs Thatcher as an *interlocutor* with the White House than to *neutralise her as a negative* influence on President *Reagan. The use of British* bases by US air force jets for *the bombing raids in Libya* last year and Mrs Thatcher's *reaction to the results of the* Reykjavik summit have both *tended to underline her hard* line stance.

None of this will damage the public relations aspects *of Mrs Thatcher's four days* in Moscow. But it was notice*able that in a two-hour brief*ing on the visit Soviet officials were *unable to point to much* of substance to be expected. *Across the river from the* Kremlin, the British Embassy has been very *sensibly silent* about what the visit is to *produce.*

Mr Gorbachev may be in*terested in Mrs Thatcher pre*cisely to the extent that is *not an interlocutor* with Washington. Soviet spokes*men repeatedly state that they* want to get away from seeing *their relations with Western* Europe as an adjunct to re*lations with the US. But so* far there are only tentative *signs of the Kremlin doing* much about this.

The degree to which Mr Gorbachev is prepared to con*sider West European con*cerns over the consequences *of agreement with the US on* the so-called "zero-zero option" could provide a sign of the seriousness of this new *intention.*

Soviet willingness to dis*cuss this fully is important* because Mr Gorbachev must *know that Mrs Thatcher does* not have a great deal of lever*age on the issue.* Evident American desire for a deal and a summit, combined with the pressure of domestic public *opinion in Western* Europe, means that the Soviet Union *may not feel it needs* to make many concessions over *short-range nuclear* weapons or conventional forces.

A *surprise move by* Mr Gorbachev can never be ruled *out. But the timing of the* visit, in between Mr Gorba*chev's initiative in February* and Mr Shultz's visit in April, *must seriously limit expecta*tion.

Patrick Cockburn in Moscow

Man in the News

Bob Horton

Charisma in the heart of Cleveland

By William Hall in New York

ONE OF Bob Horton's first jobs on taking over the chairmanship of Standard Oil last April Fool's Day was to cancel plans *to decorate the front of his new* 45-storey headquarters in Cleveland, Ohio, with a 48 ft high pink and maroon sculpture *known as the "free stamp."*

It looked more like a "rubber *stamp" to Horton, a former* managing director of BP. Desperately anxious to prove to Standard Oil's 40,000-strong US workforce that he was not leading a secret British invasion —BP had unceremoniously sacked Standard's two top executives and replaced them with BP managers, English secretaries in tow—Horton could not live wtih the symbolism. The sculpture is now gathering dust in a Chicago warehouse.

Standard Oil is a rather special oil company. It was the original pillar of the legendary John D. Rockefeller's oil empire which, at its peak, 100 years ago, controlled over 90 per cent of US refining capacity. Although it had been overtaken in size by younger Rockefeller creations such as Exxon, Mobil, Chevron and Amoco, it remains *a major name in the US oil* industry.

"*I am not some Trojan* horse from the other side of *the Atlantic. I am not here to* repeal the Monroe doctrine, but to help Standard Oil survive and prosper in an exceptionally uncertain and volatile oil environment." Horton assured the company's shareholders last April.

To prove his point he severed all formal ties with BP and moved into an expensive new home in Hunting Valley, a fashionable Cleveland suburb. As Standard Oil's newest employee, he earns almost twice as much as his *former boss, Sir Peter Walters,* the BP chairman. He has *stressed that he is content to* spend the rest of his career in Cleveland.

He backed this up by criss-crossing the US for what he calls town hall meetings held to reassure employees that they had nothing to fear from a few new faces at head office." I had to show that I didn't have two horns and a tail and that I'm committed to Standard, and that Standard is committed to Cleveland and to remaining one of the strongest US oil companies," says the amiable Horton. He has concentrated on developing a "more creative, flexible, collegial management style" designed to make the 117-year-old Standard Oil "a more nimble and adaptable company."

Despite a reputation for abrasiveness, he appears to have improved morale considerably at Standard. A Cleveland gossip columnist went so far as to describe him as "the most charismatic man around town *these days.*"

But this week BP decided to *alter the status quo* with an offer to buy the 45 per cent of Standard *Oil's shares which it* does not own for $7.4bn (£4.6bn). In so doing, it signalled that Bob Horton's days as chairman of *one* of the biggest publicly quoted US oil companies might soon be over.

The bid has focused attention on Horton's successful role as BP's chief trouble-shooter and has increased speculation that he is emerging as heir-apparent to the 55-year-old Sir Peter, who has headed Britain's largest industrial concern since 1981.

Horton's first tough assignment came in 1975 whenhe was appointed general manger of the BP tanker company—the biggest shipping fleet under one house flag in the world. The industry was in its worst recession since the 1930s and Horton promptly sold half the fleet, much to the disgust of what he calls the "liner knights"—the pillars of the British shipping establishment, *who regarded ships more as* human beings than economic entities

His next big test was to repair the fortunes of BP's sprawling chemical businesses which *he* did with a ruthlessness which earned him the name of "Horton the hachetman." He shudders at the description. "It is very unfair. It is just that I have been given a number of difficult jobs to do. I do not like cutting off heads and closing things down, but unfortunately survival is important."

In three years he closed 20 plants and slashed the workforce by nearly 60 per cent. He admits he had a "very lonely first year" as chief executive of BP Chemicals International, but when he made it perfectly *apparent* that he "intended to win" opposition crumbled. Having lost $192m in 1982 BP Chemicals earned $198m last year.

However, his latest assignment presented his toughest *challenge. Standard Oil* is the second biggest producer of US *oil after Exxon and owns half* of America's biggest oil field at *Prudhoe Bay, some 250 miles* north of the Arctic Circle. But *it had been squandering* its $3bn a year cash flow in a costly *effort to replace its huge oil* reserves. With oil prices fall*ing through the floor,* BP had lost confidence in Standard's *ability to come to terms with* the new oil environment.

Horton was sent to put Standard's house in order and, judging by the response of Wall Street, he has done a fine job. Capital spending has been slashed, uneconomic oil prospects abandoned and many of the non-oil businesses put up for sale. Having lost $345m in 1986, Standard is expected to earn $1bn in the current year.

Whereas the previous management shunned publicity and rarely explained its actions to Wall Street, Horton and John Browne, 39, the financial Whizkid who moved from being BP's group treasaurer to become Standard's chief financial officer, have gone out of their way to tell their story to the financial community.

Mr Fred Leuffer, a leading oil analyst with Cyrus J. Lawrence, is one of Horton's biggest fans and believes that in terms of management style, Standard now ranks among the leaders. "Bob Horton is quickly emerging as the spokes*man for the domestic US oil* industry," says Leuffer who *believes* BP *must* be "very happy" with Horton's per*formance.*

That said, Standard Oil still faces major problems of which far and away the most important is its unusually heavy reliance on Alaskan oil which accounts for 37 per cent of its production. Output will soon start declining and unless another giant oil field is found soon, Standard Oil will have to shrink considerably. Even for a hardheaded businessman like Horton this may be a hard fact to swallow.

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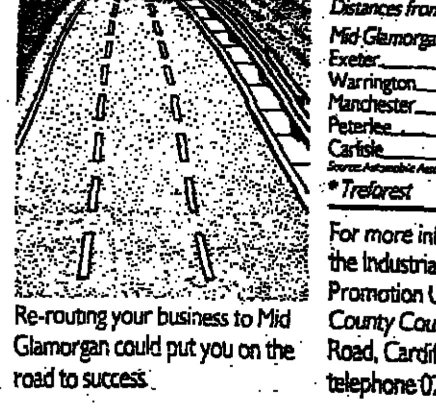

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For sale: the ultimate status symbol

Antony Thorncroft on the auction of Van Gogh's Sunflowers

AT ABOUT 7.30 pm on Monday Mr Noel Annesley, deputy chairman of Christie's, will bring down his hammer on the most expensive work of art ever sold at auction. The largest version of Van Gogh's Sunflowers, perhaps the most famous painting of the last century, will have found a new owner at a price in the region of £15m.

Christie's has done everything in its power to ensure the success of the sale. It has been battling with takeover rumours, expensive legal battles, and boardroom scandals in recent years, but securing the Van Gogh, in keen competition with arch rivals Sotheby's, was a considerable coup.

Sunflowers, one of seven interpretations of the subject by Van Gogh, comes from the Chester Beatty collection formed in the 1930s by Edith, wife of Sir Alfred Chester Beatty, the mining millionaire. It is being sold to meet inheritance tax following the death of Mrs Helen Chester Beatty, widow of Sir Alfred's son. In recent years it has hung in the National Gallery, alongside a smaller version on the same theme. It was offered to the gallery which had no chance of raising the sum expected. So it appears at auction when demand for such post-Impressionist paintings has never been higher.

At first Christie's modestly stated that it expected a price above the £7.7m it achieved for a good Manet of a Parisian street in December. Since then it has trailed the Sunflower around the world, showing it to likely, and unlikely, buyers in Switzerland, the US and Japan and has now raised its minimum forecast to £10m.

It knows, and the art world knows, that such a famous painting has never been offered at auction. Owning it could capture the imagination of a very rich man, or woman, who has never bought a picture before. It is the ultimate status symbol; the most beguiling talking point. It could go anywhere.

But certain names are sure to be packing Christie's King Street saleroom, strictly by invitation only, on Monday. The price would be no barrier to the Getty Museum of Malibu, California, which under its statutes must spend $110m (£68m) this year. It has recently started to buy 19th century paintings and will have given serious thought to the Sunflowers. Another American museum, at Forth Worth, Texas, would also have the financial resources, and other museums will certainly have contacted their rich benefactors.

But in a sale of this kind the museums fight with one hand tied. They must agree their top bid, in advance, in committee. In the excitement of the saleroom they are likely to be left standing by an over-enthusiastic private buyer. Christie's will be hoping at least two of the richest men in the world will set their hearts on owning the Sunflowers. Given the fortunes being made in the leading Stock Exchanges in recent months, even at the high forecast of £15m, it does not seem expensive. Of the seven versions of Sunflowers, one was destroyed in the Second World War, five are in leading museums, and one, a small copy, is unlikely to leave its private collection. It is now or never.

Among potential private buyers attention will focus on Norton Simon, the US industrialist, who has amassed one of the best collections in this field. It is rivalled only by that of Baron Thyssen-Bornemisza, the Swiss industrialist and administrator, but he may blink at the price. Both these seasoned buyers may also think that Sunflowers, although undoubtedly a masterpiece, is rather too popular for a connoisseur.

It might, however, suit Henryk de Kwiatkowski, the American known as the Errol Flynn of the art world because of his dashing forays — last year he acquired two Renoirs. Another keen collector who might consider that Sunflowers would burnish his image is Bob Guccione of Penthouse Magazine. Among the older US money, Paul Mellon and David Rockefeller are rich enough and both buy in this sector. Walter Annenberg, the former US Ambassador in London, is also a leading collector.

With the dollar weak, and the tax advantages from buying pictures and loaning them to museums diminished, this copy of the Sunflowers may not cross the Atlantic: there is, after all, a version in the Philadelphia Museum. If it goes west, the painting may be more likely to go to Argentina. One of the recent unexpected big buyers of very costly paintings has been the cement magnate Mrs Amalia Fortabat — reputedly Argentina's richest woman — who carried off Turner's Romeo and Juliet for $7m in 1980 and has continued to be very active in the art market ever since.

An even more likely home for Sunflowers, however, is Japan. The painting created a great deal of interest on its visit this month and there are at least four groups which might move from contemplation to action—the Japanese private collectors, who have been the major force in the upsurge in Impressionist prices in the past 18 months; the municipal museums, which are increasingly well-funded; the privately endowed museums; and the big corporations.

Finally there are the Europeans. It was the Germans who first appreciated Van Gogh's genius a decade after his suicide in 1890. The Manet which sold for £7.7m in December found a home in Switzerland, and there are still keen French buyers. The upsurge in the British economy also means that for the first time in years there are British industrialists who could at least consider a bid. It would be a loyal gesture—Sunflowers is the favourite painting of the Duchess of York.

There should be no problem about obtaining an export licence. The Manet has been detained until September to give British museums and galleries an opportunity of raising the matching money to keep it in the UK but this is more of a gesture than a serious proposition. With the National Gallery already showing a version of Sunflowers, and the price certain to exceed the collective annual purchasing grants of all Britain's major museums, the Van Gogh looks a certain loss to the nation.

Vincent Van Gogh: a self-portrait

Why Liverpool should never walk alone

Frank Field, Labour MP for Birkenhead, on a city in crisis

THE TWO-YEAR battle, which culminated in the Law Lords' confirmation of the disqualification of Liverpool's 47 rebel councillors earlier this month, may, in retrospect, emerge as the easiest decision taken about the city's future.

Liverpool has now to make up its mind on a whole range of economic and political issues. How these issues are resolved is of importance not only to Liverpool: Liverpol's crisis is that awaiting most British cities.

Dominating inner city life, in Liverpool and elsewhere, is the question of unemployment. Since 1979, 65,000 jobs—one in five—have vanished.

The Government's commensurate skill in presenting the unemployment figures in the most favourable light, cannot disguise the fact that one in four of the city's able-bodied population is without work. This grotesquely high level is not evenly spread throughout the city.

As the report of the Archbishop of Canterbury's commission on the inner city concluded, unemployment in Liverpool, as in other major industrial British cities, is very heavily concentrated in inner city areas and in outer-city council estates. As the dole queues have lengthened, so too has the period of time Liverpool citizens spend unemployed. At present more than 55 per cent of the unemployed have been waiting more than a year for a job.

The first problem facing the city's Liberal administration is what to do in the face of the seemingly inexorable tide of unemployment. Running a city with ever-increasing levels of unemployment is a new political ballgame. It demands a range of skills, markedly different to those required for administrating one of the great urban empires of Britain's post-war prosperity.

The immediate room for manoeuvre is small. Given present powers, the new administration's ability to reduce the unemployment level is negligible. That task is, primarily, the responsibility of central government. What Liverpool and other city councils can do, however, is to ensure that their policies do not exacerbate the situation.

The level of rates is central to any such strategy. Put quite simply, the higher the level of rates levied, the greater the chance that those businesses operating at the margin will disappear.

Here is a real dilemma for any administration which has to raise the revenue to meet even a modest budget. Liverpool like other cities, has over the years, suffered a significant reduction in its grant income from central government. The city council has estimated that the reduction, since 1979, has been in the region of £560m. That is almost twice the size of the city's annual budget.

Liverpool's present financial problems are compounded by the Labour administration's capitalisation programme. Crucial capital advances for the municipal housing programme were obtained at the expense of huge repayment costs. The terms on which these loans were made have only now been disclosed. They total a staggering £156.1m to be repaid on top of an existing debt accumulated over a number of years and totalling £680m.

Liverpool's capitalisation policy has been similar to that followed by a number of local authorities. Sheffield, which negotiated on a more modest scale, faces repayments of £20m a year over a seven-year period on a loan of £90m.

Practically all the local authorities involved assumed that a Labour government would be elected before the first repayments became due. Since then, Labour has made it plain that it is not prepared to pick up these bills.

Perhaps more significantly, the likelihood of a Labour government's election has receded since this strategy was adopted. The seeds have therefore been sown for a further impoverishment of city finances as the repayments programme constrains and distorts future budgets.

Next year, Liverpool faces a budget deficit of £50m, which could be balanced in any of three ways. The council could reduce its services still further, adding thereby to the army of unemployed. It could increase the amount of revenue raised from rates. On this front it is fully aware that, while many householders will grudgingly pay up, many others are cushioned by the housing benefit scheme. No such cushioning, however, exists for businesses. The third alternative is an increase in government grants.

In the light of Liverpool's past behaviour, one can appreciate why the Government is unwilling to embrace this policy enthusiastically. There are, however, three alternatives open to the Government. First, it could sit idly by and do nothing, and no doubt there will be a number of Nero figures advancing such a strategy. Secondly, it could build on one of the most successful organisations in Merseyside, the development corporation (MDC). With little parliamentary effort, the Government could extend the scope of the corporation's remit. Specifically, it could be encouraged to assume some of the local authority's functions.

There would be a predictable howl of protest at such an undermining of local democracy. The Government could, however, present this move as part of a longer-term initiative whereby the MDC, together with all Merseyside's local authorities, assume a strategic responsibility for the region's economy. The aim would be to encourage a partnership of public and private capital and to link these developments to relevant EEC regional initiatives.

Liverpool's longer term financial problems closely resemble those of practically every other British city. Reform of city finance must go considerably beyond the Prime Minister's pledge to restructure the rating system. Greater central government support is required, but any government would be well-advised to link grant changes to improved performance.

This is the third alternative open to the Government. In this context, an enhanced Audit Commission could play an invaluable role. More money could be made available, on condition that the recipient local authority achieved clearly defined objectives.

Politically, the council is in limbo. In this year's local elections, the seats declared vacant by the High Court will also be contested. The electorate has an unenviable choice.

Candidates on the Labour side are chosen from the district party's panel of candidates. Here, Militant has once again done its homework, and its nominees are represented on the list, though Labour Party officials dispute the level of infiltration.

Nevertheless, the chances are that a number of Militant candidates will be selected in some of the seats which automatically come up for election this year, as well as in the additional vacancies resulting from the High Court's ruling. Militant's local chief, Terry Harrison, has already proclaimed the Tendency's confidence that it will increase its representation on the council.

A major obstacle in the path of such a result is the electorate itself. So far, the national Labour Party has made only token expulsions. The real grounds for expelling the Militant leaders were that their beliefs were, and remain, incompatible with those of the Labour Party. Despite the build-up of loyalist support in Liverpool—the annual meeting in Walton was closely contested this year by non-Militants and, for the first time, the tendency's monolithic control was broken in Garston — the national par[ty] is unwilling to act more [de]cisively. Labour voters, the[re]fore, need to come to the resc[ue] of the national leadership. T[he] logical conclusion of Mr K[in]nock's expulsion policy is [f]or Labour voters to withhold su[p]port from known Miltiants [on] May 7.

Liverpool's third crisis [is] psychological. For too lo[ng] the city has dined out on t[he] belief that it is not only t[he] premier city but one with t[he] political clout to take on cent[ral] government. Liverpool has be[en] harshly treated by this Gover[n]ment, but the most importa[nt] result of the political postur[ing] of the past few years may w[ell] prove to be the personal ba[nk]ruptcies of the 47 local cou[n]cillors. That is a pretty cr[uel] way of bringing home to Liv[er]pool the sad fact that it cou[nts] for very little in the curre[nt] atmosphere at Westminster.

Its leaders must see the cit[y's] future as similar to that fac[ing] other cities. There is a ne[ed] for an urban alliance, with t[he] emphasis on collective acti[on] rather than pleading t[he] uniqueness of Liverpool. Liv[er]pool's own grave financial di[ffi]culties point to the need fo[r a] major restructuring of lo[cal] authority finance. It is this iss[ue] which must now be press[ed] with all possible political sk[ill] and force.

Letters to the Editor

Banks and risks

From Dr J. Toporowski

Sir,—Your editorial recommendation (March 23) of the system of weighting capital requirements according to the perceived risk of particular banking assets is somewhat oversanguine. While you are right in arguing that this system "will be flexible and result in riskier instruments becoming more costly to hold," these are perhaps its only significant advantages, and they have to be weighed against two very serious disadvantages.

As long as the return on assets is even just perceived by banks to rise in proportion with their riskiness, banks will be encouraged by this system to take on bad and potentially bad assets at times when bank profits are booming or when capital is cheap and easy to obtain (for example, when bank floating rate notes were easy to sell last year). The outcome then may be the exact opposite of what the authorities are seeking. In the longer term it may thereby exaggerate banking and credit cycles — again the opposite of what one presumes the authorities' intentions to be.

The system confuses the distinction, made over half a century ago by the American economist Frank Knight, between risk and uncertainty. Knight saw the former as characterising possibilities the probability of whose occurrence is known, while uncertain events are those whose incidence has an unknown probability.

It is clear that the dangers of default, illiquidity and so-called exchange, interest rate and credit risks, that are characteristic of bank assets, all fall into the category of uncertain events, namely their probability is unknown. All that can be said is that it is probably increasing, with the growing fragility and instability of markets, the greater possibilities of a financial firm's failure affecting more than one financial market, and the rapid increase in the scale and proportion of credit-backed operations in relatively volatile asset markets. Yet the system of asset-weighted capital requirements logically presupposes that the probabilities of all these risks are known; or at least are estimable in a relative sort of way.

Thus to reduce the problems of financial innovation to one of "assigning it its correct price" presumes a degree of human, technical and market perfection that is not found in real life, let alone in existing financial markets. Ultimately no single "system" of regulation can substitute effectively for a relationship between the authorities and financial firms in which the former know what the latter are up to, think out its consequences and, if necessary, stop or inhibit financial firms from doing what may endanger the whole financial system.

(Dr) J. Toporowski.
28 Warrington Crescent, W9

Obstacles to exports

From Dr J. Leontiades and Dr N. Campbell

Sir,—The British Overseas Trade Board survey of export performance (March 10) laments the fact that many small firms are "passive exporters." They respond to foreign orders, but have no strategic plan. To induce them to become active exporters your correspondent reports that the BOTB will launch a new campaign of persuasion aimed at senior management. This has an all too familiar ring. Surely there can be few managers left in Britain who have not been subjected to previous campaigns of this nature.

More tangible steps are needed to overcome the problems of overheads, delays in payment, finding agents, etc, rightly mentioned in your article as major obstacles. The point we wish to stress here is that these obstacles are particularly severe as regards the smaller firm. This was graphically illustrated during a recent research trip we made to Hong Kong and China investigating the international performance of British firms. The time and resources required to establish an effective export operation, particularly in the more distant and difficult markets, is immense. Those smaller firms which have the courage to tackle it are severely handicapped relative to the larger company. Even very large firms often have to spread their costs in international markets through co-operation among their various divisions or with other firms.

Lacking such resources, many smaller firms avoid exporting altogether or reduce costs by resorting to measures which can be described as "passive exporting." The Japanese overcome the diseconomies associated with small scale exporting through the use of trading companies. In acting for hundreds and even thousands of firms these giants can afford to handle their products in a highly professional manner. As the manager of a Japanese trading company explained to us "it is difficult to do more than one thing well. In Japan the manufacturer concentrates on what he knows best — producing a good product. We handle the international side."

There are also other ways of tackling the problems of smallness in exporting, including co-operation between companies and centralised government services (such as those offered by the BOTB). But it is regrettable that trading companies which are probably the most effective solution to the problems of smallness have not developed further in the West.

(Dr) James Leontiades,
(Dr) Nigel Campbell,
Manchester Business School,
Booth Street West,
Manchester.

Lead-free petrol

From the Chairman, Campaign for Lead Free Air

Sir,—For four years we have been awaiting a Government initiative on lead-free petrol. Last year the Chancellor promised an announcement in this year's budget and all parties concerned have been consulted about the steps which need to be taken. The day before the budget (March 16) the Society of Motor Manufacturers and Traders put out a statement expressing its opposition to any price differential in favour of lead-free petrol

It should be recognised at once that SMMT's advice is in conflict with Government policy and with EEC legislation. The directive, which stipulates a date by which lead-free petrol must be available by law also invites member countries to "promote its widest possible use in those cars capable of using it."

In practice the only way of ensuring its widest possible use is to make it cheaper than leaded petrol. The SMMT advice is therefore an outrageous attempt to divert the Government from its express intention of protecting children's health by introducing lead-free petrol. The fact that it is also against the spirit of EEC legislation demonstrates the extent to which organisations like the SMMT are prepared to put industrial interests ahead of the public interest.

CLEAR is well aware that not all cars are compatible with lead-free fuel and the last thing we want to see is lead-free petrol getting a bad name because car owners have not taken the simple precaution of asking their dealers for advice. Even so there are many vehicles on the road which can use unleaded fuel and motorists who are interested in the environment and in their children's health should treat the SMMT's advice with the contempt it deserves.

Dr Robin Russell Jones,
3 Endsleigh Street WC1.

A case for job evaluation

From Mr C. West-Meads.

Sir,—On March 16, Mr Philip Bassett, Labour Editor, refers to the study paper prepared for the Government's Work Research Unit and its views on job evaluation. I am writing because the case for job evaluation is still undervalued in the minds of many by the link between job evaluation and pay being over-emphasised.

Job evaluation is a critical process to help organisations both articulate and understand the way they have structured their jobs and the consequence of changing both jobs and organisation structures. It is a process which greatly assists in planning organisation change, management development and individual careers as well as providing a framework for a reward structure.

Just as job evaluation has much wider uses than pay determination, so too is pay determination influenced by factors other than job size. The factors that influence rewards include individual performance, market pressures (created by supply and demand mis-match), location and above all profitability (or cost in non-profit making organisations). It is these and other factors which determine pay practices including pay grades and bargaining units.

The distinction between job evaluation and pay structures is important. So too is the point that is made about how job evaluation is so cumbersome.

Job evaluation again tends to focus in the minds of those directly involved with it upon the method (ie, what criteria are used to assess job relativity) whereas many of the problems are associated with the process whereby jobs are evaluated. The processes associated with collection of information (job descriptions), the actual evaluation (committees or panels) and the procedures for dealing with change.

By re-examining that process even long-established job evaluation methods can be re-vitalised to a level of relevance for today and tomorrow. For organisations having to consider job evaluation for the first time, selecting an appropriate process is an even more critical decision if outdated bureaucratic approaches are to be avoided.

More understanding of all concerned in the process of the wider use of job evaluation and organisation dynamics can lead to progress at acceptable cost.

C. West-Meads.
Wyatt Company,
21, Tothill Street, SW1.

A communications policy

From the Secretary, Telecommunications Managers Association of the Institute of Administrative Management

Sir,—Under the perhaps optimistic heading of "UK communications policy" (March 10) Mr Patrick Whitten correctly identified the need for and obstacles to the development of a UK telecommunications strategy. As he says, the problems are the lack of co-ordination within government and government agencies and the fragmentary nature of the private sector interests involved. What appears to be missing is a national forum or process through which strategic issues can be debated on an ongoing basis. Until the interested bodies are regularly brought together at the policy making level — rather than on technical issues — progress will be made by accident rather than design.

The UK disarray is mirrored at international level. All over the world governments are struggling to keep abreast of the social and economic consequences of computing and communications technology but with only indifferent success.

In the nature of things an international consensus on a global forum will inevitably be difficult to achieve but it probably only needs a relatively modest effort to get the ball rolling nationally.

The TMA actively advocates such a development and would gladly lend its good offices to bring about further discussion of the topic. A sponsor must be found, however acceptable to and not competitive with the principal players.

Such a body would need to be in the public domain yet be independent of government and possess the necessary finance and expertise to research and prepare background papers, organise working conferences and follow up with appropriate national and international authorities.

No existing organisation appears to possess all the necessary characteristics and certainly the creation of an additional body should only be a last resort. Perhaps OFTEL and the IBA could be merged and fulfil the required function?

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		8.30	8.30	Monthly	£5,000	8.05 £500+ instant access
	Prem. Gwth. Bnd.	9.00	9.38	Monthly	£5,000	No wdls. 1 yr. then no not./pn.
Norwich & Peterb'gh (0733 51491)	Premier Plus	9.50	9.50	Yearly	£5,000	50 d. n./pn. Gtd. dif. 3.50 1 yr.
Nottingham (0602 419393)	Sterling Growth	9.30	9.52	½-yearly	£1,000	3.30 gtd. 1 yr. then 90 d. n./pn.
Peckham (Freephone Peckham)	Super Shares	9.00	9.38	Monthly	£2,000	£2,000 + no notice/penalty
Portman (0202 292444)	Gold Seal Shares	9.35	9.35	Yearly	£2,000	3 months' notice after 12 mths. Instant access option
Portsmouth (0705 671341)	3-Year Share	9.50	9.73	M./½-yrly.	£500	No restrictions over £10,000
Regency (0273 724555)	Plus	9.00	9.00	Yearly	£10,000	No nt./pn. £5K 8.5, £2K 8.25
Scarborough (0723 368155)	Sol. Gld. Cap. Bd.	9.50	9.50	M./Yearly	£10,000	60 days' not. or loss of int.
Skipton (0756 4581)	Sovereign	9.30	9.30	Yearly	£25,000	8.35 on £500+
	Sovereign	9.10	9.10	Yearly	£10,000	Instant access/no penalty
	Sovereign	8.75	8.75	Yearly	£5,000	Monthly income available
Stroud and Swindon*	Century (2-year)	9.50	9.50	Yearly	£20,000	9.30 £2,000+, 90-day int. pen.
Sussex County (0273 471671)	Sussex 90-Day	8.60	8.60	Yearly	£15,000	90 days' notice/penalty
Thrift (01-889 6023)	3 Months Notice	9.50	9.73	½-yearly	£20,000	3 months' notice/penalty
Town and Country (01-353 1476)	2-Yr. Super Term	9.25	9.25	Yearly	£10,000	Guaranteed 3.25 differential
	Moneywise	8.75	8.75	Yearly	£25,000	Chq. bk., Visa/ATM cds. int. var.
	Super 60	9.50	9.50	Yearly	£10,000	Withdrawal available
Wessex (0202 767171)	Ordinary Shares	8.81	9.00	½-yearly	£1	No notice no penalties
Woolwich*	Capital	8.75	8.94	M./½-yrly.	£500	90 d. not./pen., £10K+ imm.
	Prime	9.00	9.00	Yearly	£30,000	Instant access. 8.00 £500+, 8.50 £5K+, 8.75 £10K+
	Gurntd. Prm. Shs.	9.25	9.25	Yearly	£1,000	90 days' notice/penalty
Yorkshire (0274 734822)	Platinum Key	8.75	8.75	Yearly	£500	60 days' notice/penalty
	Platinum Key	9.00	9.00	Yearly	£10,000	Instant over £10,000
	Platinum Key	9.25	9.25	Yearly	£25,000	Instant over £10,000
	Golden Key	9.05	9.05	Yearly	Tiered	No not./pn. 9.05/8.80/8.55/8.05

* For telephone see local directory. CAR = Annual yield after interest compounded

BET sells 49% stake in Wembley to Arena

By Ralph Atkins

BET, the diversified services group, has sold its 49 per cent stake in the Wembley stadium, conference and exhibition complex to Arena Holdings, which already owns 51 per cent.

The deal is worth £17.5m to BET. The group had control of the complex from 1960 until July 1984, when Arena Holdings took over.

Arena Holdings, now headed by Mr Brian Wolfson, had the option to acquire the remaining 49 per cent any time before October.

BET sold its controlling stake in 1984 because the substantial investment needed to modernise the facilities was not in line with its business strategy. The sale raised £25.5m for BET but left £6m outstanding in debts. These have now been included in the £17.5m.

The net total BET has received from the sale is £37m plus loan repayment but it is continuing its association with the stadium by taking a 10 per cent share of Arena worth £2.5m.

Wiggins Teape pushes sales beyond £1bn

By Tony Jackson

Wiggins Teape, the UK paper-making subsidiary of BAT Industries, pushed its sales over the £1bn mark for the first time last year, with trading profits up 50 per cent to £94m.

Of the tgroup's £1.04bn turnover £322m came in carbonless copy paper, the growing market in which Wiggins Teape is the world's second largest producer after its fellow BAT subsidiary, Appleton of the US.

The group's fine paper sales performed strongly, he said, with sales of £126m. In paper merchanting, which made up half of group sales, profits in the UK improved only very modestly as a result of absorbing Spicer Cowan, acquired from Reed International for £10m in 1985.

In the European paper merchanting business, which is slightly larger than the UK operation, profits were again only modestly ahead, said Mr Worlidge. This was chiefly due to stiffer competition in France, the group's biggest European market.

Highgate

Robert Fraser, the merchant bank and financial services group, has let its offer for Highgate & Job lapse after receiving acceptances representing less than 1 per cent of shares in the animal oils refiner.

Fraser, which holds 37.64 per cent of Highgate & Job, was offering 200p in cash per share. The bid had been recommended by the Scottish company's board, which agreed with Fraser's contention that it needed to introduce acquisitions.

Mr Colin Emson, Fraser managing director, said that his group has been invited to nominate one member to the Highgate & Job board. This would probably be Mr Alan Coutts, a Fraser director.

Speculation that Fraser, a private group, had planned to reverse into Highgate & Job was at the very least "extremely premature," Mr Emson said. However, it had helped the share price to shoot well beyond Fraser's offer.

After hitting a peak of 290p late last month, Highgate & Job shares were trading yesterday at 259p.

London Park

London Park Hotels, which has received an agreed offer from Mount Charles Investments, saw pre-tax profits slip back from £1.65m to £1.07m in 1986. Turnover rose from £7.5m to £8.46m.

Extraordinary credits were substantially lower at £169,000 (£2.53m) and earnings were down from 32.32p to 17.34p. The second interim is unchanged at 6.5p, making 10p (10p) for the year — no final will be recommended.

Due to an agency error, yesterday's report transposed the above figures.

G. B. C. Capital Ltd

The net asset value at 28th February, 1987 was C$3.25

The net asset value after contingent Capital Gains Tax was C$2.85

European Assets Trust N.V.

The net asset value at 28th February, 1987 DFl 8.67

Avana forecasts profits of £23m and better prospects

BY CHRISTOPHER PARKES, CONSUMER INDUSTRIES EDITOR

Avana Group yesterday told shareholders they could expect pre-tax profits for this year of £23m, £3.4m higher than last time and a final dividend increase which would raise the total pay-out by 41.6 per cent to 17p.

Ranks Hovis McDougal which is making a £243m bid for the company quickly countered with an interim forecast of a £12.3m increase in pre-tax profits to £52.5m, and earnings per share of at least 11p, compared with 9.5p for the first half of the previous year. The group said it intended to pay a 2.65p interim dividend, 25 per cent more than for the comparable six months last year.

The Avana forecast for this year, which ends today, was in line with brokers' predictions. However, the group suggested future prospects were markedly brighter.

It forecast pre-tax returns for 1987/88 of at least £27.5m and earnings per share of 51.2p, compared with 46.9p expected this year and 38.7p for 1985/86, when profits were £19.6m.

The pre-tax figures for the current year include some £5m earned from the sale of breakfast cereal technology and consultancy to Weetabix.

Those for 1987/88 include £3m royalties associated with the Weetabix deal.

Trading profit for this year is forecast at £18.2m, against £16.2m last year, and £24m for 1987/88.

The document also revealed that the Welsh food company is negotiating to sell its 48.9 per cent stake in Porfavor, a Dutch maize company, which lost Avana an estimated £500,000 this year.

Mr David Attwell, a group director, said he expected the sale to raise more than the stake's book value of £1.9m.

Much of the group's future profit improvement is expected to come from the DragonParc operation which will shortly start production in Merthyr Tydfil, South Wales. Mr Attwell said he expected turnover from the plant to reach about £60m in its third year.

The circular defended the Avana management's long-term strategy of self-financed investment and innovation, and attacked RHM's arguments justifying a takeover.

"RHM's offer seriously undervalues your company. It does not recognise our excellent prospects nor does it offer any premium for control," it claimed.

Boddington moves up to £14.4m

Boddington Group, which last November changed its name from Boddingtons' Breweries, lifted pre-tax profits from £11.76m to £14.42m in the 12 months to January 3 1987. Turnover advanced from £72.93m to £87.24m.

Mr Ewart Boddington, chairman, said the results had benefited from a significant increase in the income from exceptional credits, before which profits had risen only by £1.62m.

The proposed final dividend of 2.23p (1.92p) makes a total for the year of 3.7p (3.25p).

The exceptional credit consisted of a surplus of £1.37m (£20,000) from the sale of sites with development potential, and a debit of £66,000 (credit £235,000) on other items. However, Mr Boddington stressed that although active trading of the group's property portfolio was a strategic objective and would continue, disposal profits at the 1986 level would not necessarily be achieved every year.

Mr Boddington also revealed that the group had agreed terms in principle to take an 80 per cent holding in Village Leisure Hotels and Thornham Construction for an initial purchase consideration of about £2m to be satisfied by the issue of 1.088m Boddington's shares, with the balance in cash.

He reported that the introduction of draught Kaltenberg Braumeister lager last September had been well received by customers and sales of draught lager had increased by 6 per cent during the year.

Boddingtons' Bitter had increased its market share, particularly in the take-home sector, where sales had risen by 12 per cent. Ogden Wade, beer, wine and spirits wholesaler, had again produced extremely satisfactory results, with profits 50 per cent ahead of budget.

Finance items took £2.35m (£1.3m)—largely from the inclusion of a full year's interests on the £12.9m of loan stock issued in July 1985 as part of the consideration for the acquisition of Higsons Brewery.

Tax amounted to £4.53m (£4.93m) after which earnings worked through at 10.83p (8.28p) undiluted or 9.89p (7.18p) fully diluted.

● comment

Boddington Group's results look good given the stagnant beer market but they have been boosted by taking a £1.4m surplus on property disposals above the line and by a first full-year contribution from Higsons, the Liverpool brewery acquired in 1985. Its diversification into catering and leisure businesses, including yesterday's acquisition, is a step in the right direction but could have been made earlier. A similar size profit on property disposals is expected this year which will help push pre-tax profits to about £16m. At yesterday's close, down 5p at 140p, this gives a prospective p/e of about 11.5. This is not cheap, but could, perhaps be justified if the group decides to take the opportunity to reduce capacity and cut costs by closing its Oldham plant, where its five-year commitment to continue brewing expires this summer.

Assoc News in Australian buy

Associated Newspapers, publishers of the Daily Mail and the Mail on Sunday, has increased its stake in Northern Star Holdings, an Australian media company, to a little less than 10 per cent.

Associated previously held 3 per cent of the company and acquired 15.9m newly issued shares in the company taking its stake to 9.99 per cent.

Mr Bruce Gordon, chairman of Northern Star has said he welcomed the increased investment.

McCaughan Dyson, stockbrokers, recently recommended Northern Star as a strategic investment. It was emerging as one of only two Australian cross-media conglomerates, the other being Fairfax.

Northern Star runs television and radio stations and newspapers in the coastal towns of northern New South Wales and southern Queensland. It is moving into a bigger league with the acquisition of television stations in Melbourne and Adelaide and daly newspapers in Adelaide and Brisbane.

Brake Bros. up to £5.6m

Brake Bros., supplier of frozen food to the catering industry, which obtained via a full listing last November, lifted pre-tax profits from £2.74m to £5.63m in 1986 ahead of the forecast made at the time of flotation.

Turnover rose from £57.78m to £75.97m. Mr William Brake, chairman said that the proposed dividend for the year was 1p (nil) as forecast.

He revealed that during 1985 the company had invested £5.52m in fixed assets. About £2.06m of this had been in the construction of the third and largest central store at Hemsworth, West Yorkshire, which was now fully operational. During 1987 three new depots would be opening—at Brighton, Plymouth and Motherwell.

Mr Brake said that he believed that there was considerable potential for the company to build upon its position within the UK market. Continued strong growth was expected from the existing depots and the company was in a position to seek further opportunities for expansion and development.

In spite of the severe weather conditions in January, sales for the opening weeks of 1987 had shown growth in line with company expectations.

Tax totalled £1.57m (£781,000) and earnings per share worked through at 10.02p (4.89p), higher that the forecast 9.32p.

Lond. St. Lawrence

Net asset value per 5p share at London and St Lawrence Investment Company stood at 112.19p at end-February 1987, compared with 78.31p a year earlier.

Net revenue for the six month period improved from £161,773 to £177,766 after a tax charge of £73,775 (£69,331). Earnings per share were 0.919p (0.834p).

Gross revenue, which rose from £237,448 to £257,715, comprised dividend and interest income.

Hillards sees rise of 21% to over £10m

By Nikki Tait

Hillards, Yorkshire-based supermarket chain, yesterday hit back at the unwanted bid from Tesco, with a forecast of pre-tax profits 21 per cent higher in the year to May 1987.

The company expects to make £10.3m, compared with £8.5m last time. Earnings per share, it says, should come out at 13.1p per share on the actual tax charge (13.5p on a 35 per cent tax charge) against 11.73p in 1985.

During the year, Hillards says it introduced about 1,500 new lines and has plans to bring in another 500 new own-label lines in 1987-88. Three new stores, with a total sales area of 95,000 sq ft, will also be added

Central distribution, the document continues, will be extended to cover 60 per cent of food products by the end of 1988.

More immediately, the company claims that shareholders speaking for 28.42 per cent have said that they will reject the Tesco offer. The figure includes the 4.35 per cent held by directors and largely represents family holdings.

The document reveals that a further 11.11 per cent of the ordinary shares are held by clients of Cazenove, the company's brokers. Some of these may be discretionary, but Cazenove, which does not have exempt fund manager status, says that the majority will decide for themselves on the bid.

Yesterday, Tesco said that it thought the document was disappointing and added that, if successful, it would invest some £15m in the redevelopment of existing Hillards stores during the next 12 months. It stressed that it did not plan any major store closures.

Tesco has made a small addition to its Hillards stake, which stands at 5.4 per cent, excluding the modest pension fund holding.

Hillards shares closed 4p higher at 316p.

Imtec holds talks on merger deal

Imtec Group, a USM company involved in the manufacture and marketing of computer equipment, announced yesterday that it was involved in merger discussions with Harper and Tunstall and Laser - Scan International.

Imtec shares were suspended yesterday, pending publication of merger proposals, at 24p, putting a market capitalisation of about £3.8m on the company.

The group announced earlier this month that it had reduced its pre-tax losses from £991,000 to £549,000 in the half-year to September 30.

Hamlyn Milling

For the half year ending September 27 1986, pre-tax profits at Hamlyn Milling fell from £370,668 to £57,522 on turnover down £3.4m to £6.65m.

After a lower tax charge of £5.64m (£15.8m), earnings per share dropped from 24.15p to 3.24p.

Dixons wins over Cyclops after block share purchase

BY CHRISTOPHER PARKES, CONSUMER INDUSTRIES EDITOR

Dixons Group—with a little help from its friends—yesterday won control of Cyclops, the elusive US retailing and industrial group.

Starting with a 22 per cent stake, most of which was bought in a recent $90.25-a-share tender offer, the UK electrical retailer scooped up a further 57 per cent through a block transaction in the open market for $95 a share.

Alleghany, the US group contracted to buy Cyclops's industrial interests, had agreed to pay half of the extra cost up to a maximum of $10.5m, Mr Richard Kalms, a Dixons director, said later.

If, as the company plans, the remaining 21 per cent of Cyclops shares are bought at $95, the takeover could ultimately cost around $400m (£249m) gross, rather than the $384m bid at the outset some six weeks ago.

Alleghany had agreed in a pre-bid deal to pay $110m cash for the steel-making and industrial assets of Cyclops, leaving Dixons with 30 electrical and do-it-yourself retail outlets.

The Dixons takeover campaign was marred by interventions from the Securities and Exchange Commission, the US regulatory body, and Audio/Video Affiliates, a US retailer which was attempting a leveraged takeover of Cyclops.

The SEC obliged Dixons to extend its tender offer after the British company changed the conditions of its bid.

Audio/Video raised its offer, and early acceptances, which, Dixons claimed, totalled 54 per cent a week ago, had dwindled to only about 20 per cent when the tender expired at midnight last Tuesday.

However, Dixons's earlier market purchases gave it a total holding of about 22 per cent, and the platform it needed to advance to a successful takeover.

Brent Walker pays £4.8m for Le Touquet Syndicate

BY RALPH ATKINS

Brent Walker, the leisure group, has acquired Le Touquet Syndicate, a British company which owns leisure interests on the French north coast, in a deal worth £4.8m.

Brent Walker has interests in amusement and gaming machines, casinos and greyhound and speedway racing in the UK. It is also involved in property development including the Brighton Marina leisure scheme.

Before this acquisition Brent Walker had no overseas assets. Le Touquet owns 1,500 acres of freehold land around Le Touquet — Paris Plage. The estate includes a hotel, club house and three golf courses.

The deal is being financed with £4.79m cash of which £600,000 will be repaid by the vendor to Brent Walker to settle outstanding liabilities. In addition Brent Walker has issued 160,000 shares to a third party which had option rights. These rights have now been waived.

In 1985 Le Touquet achieved a pre-tax profit of £139,836. Net assets were valued at £1.58m. The assets of the company have recently been valued on an open market basis at not less than £6.5m.

Arlington above forecast

BY JANICE WARMAN

Arlington Securities, the property developer which came to the market in June last year, exceeded its own profits forecast by 37 per cent to £7.05m, due mainly to the sale of the Birmingham Business Park land.

The pre-tax figure for 1986 was more than double 1985's figure of £3.1m, on turnover down from £43.37m to £21.34m. Earnings per share more than doubled from 4.12p to 9.08p. Mr Humphrey Price, financial director, said the contribution from the Birmingham Business Park had been greater than anticipated.

He pointed out that the group now had more than around 1.2m sq ft in potential retail space, most of which had been assembled since the beginning of 1986.

"We are becoming a retail developer, not just a business partner developer," he said.

The company had doubled its staffing levels and more than doubled its market capitalisation from £55m to £125m in the past year.

"We are looking forward to another successful year," he said. "The sale of the Booker Business Centre since the year end has got us off to a flying start."

Directors have recommended a dividend of 1.5p per ordinary share, making a total of 2.2p for the year, compared with a forecast dividend of 1.7p.

Taxation took £2.87m, compared with £1.63m in 1985. There was an extraordinary profit of £198,000 net.

Stonehill approach

Shares in Stonehill Holdings, the small loss-making furniture company, leapt from 88p to 113p yesterday on news that the company has received an approach which may lead to an offer for the company.

Stonehill yesterday refused to comment further on the announcement, but any offer is likely to need agreement — directors hold around 55 per cent of shares.

Crown TV approach rebuffed

By Nikki Tait

A 65p-a-share offer made by Orion Royal Bank on behalf of Australian clients for a sizable stake in Crown Television Products, the USM-quoted video, film and television producer, has been firmly rebuffed.

The Orion clients had proposed acquiring the interests of Greenstar Leisure and Enterprise Television, two companies owned by directors of Crown which together hold 22 per cent of Crown. This would have been followed by a capital injection into Crown in return for options.

Last night, Orion said it had not yet received any indication from its client as to whether it now wanted to proceed any further.

Pearson

Pearson, the publishing, banking and industrial group which owns the Financial Times, announced yesterday that its interest in Cedar Fair, an amusement park business in the US, should be reduced from 33 per cent to about 8 per cent following a public offering of new partnership units of Cedar, which would be traded on the New York stock exchange.

Pearson said net proceeds of the offering could be used to provide working capital and repay a substantial portion of the debt incurred by the partnership in December 1986.

TI £0.3m sale

TI, the engineering group, is to sell its information and computer operations for £300,000 to a new company which includes the centre's management.

Directors and staff will hold 25 per cent of Timegate Computer Systems, with the remainder held by Northgate Computer Services, a company owned by Mr Jonathan Bekhor, chairman of A. J. Bekhor, and clients of the stockbroker.

For at least a year, the centre will continue to provide a bureau service for TI group companies on its IBM 4381 mainframe which supports a network of mini and micro-computers.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corres-ponding div	Total for year	Total last year
Arlington Securities ...	1.5	—	—	2.2	—
Blanchards ....int	1.65	May 11	1.5	—	4.5
Boddington Group ...	2.23	May 8	1.92	3.7	3.25
Pifco ....int	2.51	Apr 30	1.76	—	5.76
George Oliver	8.02	May 11	7.2	10	9
Southampton IoW	16	—	12	20	16

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. ¶ To reduce disparity.

Terry Povey examines yesterday's victory for dissident shareholders

The battle for Belgrave Holdings

"DISGRACEFUL," was the angry comment by Sir Monty Prichard, chairman of Belgrave Holdings, yesterday after dissident shareholders heavily defeated board plans for a £10.6m asset disposal, and a potentially bitter fight for control of the poorly-performing property company was launched.

In the past week, Belgrave's shares have leapt almost 50 per cent to about 190p—the previous record level of 170p was struck in February 1984—as two substantial shareholders, each with slightly less than 30 per cent, have jockeyed for power.

Larksila SA, a Swiss company controlled by the Raberhu family, owns 29.96 per cent. Mr Rasik Raberhu and his son, Mr Annant Raberhu, are respectively director and chief executive of Belgrave and make up half its four-man board.

Until two days ago International Securities AG, a Liechtenstein company associated with Mr Peter Clowes and Mr Guy Cramer, held another 29.99 per cent stake.

Messrs Clowes and Cramer are better known as, respectively, the chairman and chief executive of James Ferguson Holdings, the small financial services group which is being born out of the rump of a quoted Bradford-based knitwear manufacturer.

On Wednesday, International Securities sold its Belgrave shares to the Jivraj family—a deal conditional on the defeat of the Raberhu-backed asset disposal at yesterday's [illegible] of shareholders. The Jivrajs are flush with £23m in cash following the disposal of their 57 per cent holding in London Park Hotel's to Mount Charlote Investments.

News of the Jivraj stake led institutions to defect to the side of the dissidents and the board's proposal (on which Larksila was unable to vote due to its interest in the outcome) was defeated by a margin of more than five-to-one.

Until May 1983, Belgrave was a struggling West Midlands engineering company with stagnant turnover and losses in four out of the preceding five years. Then Mr Abdul Shamji, chairman of the Gomba group of property and trading companies, acquired a dominant 29 per cent stake for some £350,000 and took over boardroom control.

During 1984, Belgrave was transformed into a property company. It acquired the Hales Property Group and then three hotels—the Wembley, Birmingham and Leicester Internationals—owned privately by Mr Shamji. Belgrave also purchased four London hotels—the Hyde Park Tower, Eden Park; Julius Caesar and the Kensington Inn —from private companies owned by the Raberhu family.

After these transactions, Belgrave's board consisted of three Gomba directors plus two from the Raberhu family and two others.

The hotel deals were strikingly similar—the friendly selling of assets by private companies to a public one in exchange for shares and then the leasing out of the hotels to someone else to operate them. Little notice at the time was the amount of debt being transferred to Belgrave—which would have dramatically altered the perception of the value of the deals.

The four Raberhu-owned hotels are a good example. In footnotes to Belgrave's 1984

Sir Monty Prichard, chairman of Belgrave

accounts the amount paid is reported as £4.6m (3.262m shares at 141p each). What was not mentioned was the almost £6m worth of debt attached to the hotels—which takes the full consideration to more than £10m. According to Mr Annant Raberhu, the hotels were then valued at £11.2m.

An integral part of this deal was the leasing back of the four hotels to Park Hotels, a Raberhu-run private company for 20 years. The three hotels formerly owned by Mr Shamji were let on 10-year leases to Comfort Hotels, now a Ladbrokes subsidiary.

In 1985, Belgrave's hotel division contributed only £394,000 to pre-tax profits after interest costs on the inherited borrowings had almost wiped out the £[illegible]m rental income under the leases—a poor return on more than £30m worth of assets.

In October 1985, Johnson Matthey Bankers sent in receivers to take over most of Mr Shamji's Gomba group—it was the troubled bank's third largest debtor when it collapsed and had to be rescued by the Bank of England in late 1984—and they sold the Belgrave shareholding. By May of last year, the shares had passed via another offshore company to International Securities.

Shorn of his Gomba stake, Mr Shamji and two other Belgrave directors either resigned or were removed from the property company's board. This left the Raberhu firmly in control, backed by a Larksila stake which had been increased in the meantime to just less than the bid-trigger level of 30 per cent.

The next blow for Belgrave was a review of ground rents which led to sharp increases for those hotels owned on a leasehold basis. This January, in a move that Mr Jivraj claims is "most unusual," the board of Belgrave agreed to net the ground rents from the amounts payable under the leases on the four London hotels, thereby reducing its net annual income.

According to Mr Annant Rabheru, his family's private company then commenced negotiations with Belgrave to buy back the four hotels.

"I had a responsibility as a director of a public company to achieve a better return," he said.

A fresh valuation, based on the reduced rental stream, concluded that the four hotels were now worth £9.23m—£2m less than two years before.

Asked how it was that four hotels in central London could have fallen in value, Mr Raberhu blames the ground rent reviews and—in effect—the terms of the leases.

One critic of Belgrave's present management argues that the solution was "simple and in the Raberhu's hands.

"They could have surrendered the leases and either renegotiated them or offered the hotels to someone else to operate."

When the Belgrave board recently announced plans to sell the four hotels back to the Raberhu's private company for £10.6m, about the same amount as had been paid for them in late 1984, International Securities leapt into action, angry at plans to dispose of assets it considered were worth twice this amount.

However, Messrs Clowes and Cramer have had their hands rather full in recent months over the rehabilitation of James Ferguson and therefore accepted a 150p a share offer from the Jivrajs — making a £2.24m profit in the process — and passed on the dissident baton.

Institutional shareholders, impressed with the record of the Jivrajs at London Park Hotels, switched their support behind the new major shareholder and the disposal move collapsed.

The Raberhus know they have a fight on their hands — both over their management control of Belgrave and the contentious leasing arrangements and "are determined to fight" — although Larksila might be willing to consider offers for its shareholding.

Meanwhile, Mr Nick Jivraj is determined to move quickly to win control.

"We are not passive investors," he asserted yesterday.

LONDON RECENT ISSUES

EQUITIES

Issue Price	Amount Paid up	Latest Renunc. Date	1986/87 High	1986/87 Low	Stock	Closing Price	+ or −	Net. Div.	Times Cov'd	Gross Yield	P.E. Ratio
§190	F.P.	—	180	160	Admiral Comp'ting 5p	178	.....	u2.13	3.6	1.7	23.3
§215	F.P.	—	380	272	Barbour Index	380	+2	R4.0	3.1	1.5	30.9
125	65	3/4	131	104	British Airways	130	+1	R6.0	2.4	4.4	10.8
105	F.P.	27/3	211	127	Capital Radio 10p	184	−5	w5.0	1.8	3.8	20.0
§200	F.P.	—	226	211	‡Castle Comms. 5p	226	+1	R7.0	2.2	4.4	14.4
0	F.P.	20/3	133	123	Dale Group 10p	128	.....	R4.5	2.6	4.9	11.1
§125	F.P.	—	137	133	‡Forward Group 5p	134	−1	U2.2	3.2	2.3	17.9
§70	F.P.	27/3	92	80	‡Hewetson 10p	89	.....	R2.7	2.1	4.3	16.0
§250	F.P.	8/4	370	315	Hobsons Publishing 5p	365	.....	U6.25	2.2	2.4	27.0
‡‡	F.P.	—	£12¼	£11¼	Huntingdon Int. 5p	£12¼	...	—	—	—	10.8
§115	F.P.	16/4	146	133	‡JSB Electrical 20p	135	+2	L2.9	2.8	3.0	16.4
§120	F.P.	—	211	190	Mallett 5p	201	−2	u3.0	3.1	2.1	21.6
§95	F.P.	—	135	108	‡Misys 5p	130	−1	R2.0	3.7	2.2	17.6
§180	F.P.	—	198	180	Perpetual 10p	196	.....	u2.5	4.5	1.8	16.9
120	F.P.	26/3	155	127	‡Prism Leisure Corp 10p	150	−3	R4.26	2.25	4.0	14.1
§95	F.P.	10/4	102	97	RCO 10p	100	.....	L3.91	2.1	5.5	12.2
§20	F.P.	3/4	42	27	‡Regina Health 2p	40	.....	0.28	4.1	1.0	34.4
§100	F.P.	—	101	100	Renaissance Hldgs.	100	.....	—	—	—	—
—	F.P.	—	34½	25	Do. Warrants...‡‡	34½	.....	—	—	—	—
§100	F.P.	7/4	152	120	‡Sanders & Sidney 5p	142	+1	R4.26	2.0	4.2	14.5
210	F.P.	24/4	270	238	Scandinavian Bk. Units	269	.....	u8.0	2.5	4.2	11.3
§90	F.P.	3/4	101	97	Sinclair Goldsmith 10p	97	.....	R2.2	2.7	3.2	16.1
§135	F.P.	—	177	148	‡Thornton (G.W.) 5p	175	+2	L3.75	3.80	3.0	12.4
—	F.P.	—	273	220	‡UTC Group	273	.....	‡u14.0	—	7.2	—
§130	F.P.	27/2	198	148	Viking Packaging 10p	198	+10	u3.5	3.0	2.5	19.1
130	F.P.	16/3	146	137½	Wilson Bowden 10p	145	.....	L3.4	3.0	3.3	14.2
§144	F.P.	—	191	170	‡Wood (J.D.)& Co.10p	178	+3	R2.5	3.6	2.0	19.8

FIXED INTEREST STOCKS

Issue Price £	Amount Paid up	Latest Renunc. Date	1986/87 High	1986/87 Low	Stock	Closing Price £	+ or −
■	F.P.	24/4	116¼	111	City Site Estates 7% Cnv. Uns. Ln. 2005/06	115	.....
■	Nil	3/6	19pm	11½pm	DixonsGrpNon-int-brng.Cv.Un.Ln(£1)	19pm	+7½
■	F.P.	13/4	58p	13½p	Hillards 6% Cnv. Red. Prf. £1	54	−1½
§100	£50	15/5	60	41½	Mid-Sussex Water 11% Red Deb 2012-16	58	.....
—	F.P.	—	100⅝	100	Nationwide 10½% Bds. 7/3/88	100⅝	.....
§98.819	£20	11/9	24½	20	TR City of Lon. Tst. 10¼% Deb 2020	22¼	+¼
§97.877	F.P.	1/4	107⅜	100¼	TR Trustees Corp 10½% Deb 2016	100¼	−⅝

"RIGHTS" OFFERS

Issue Price	Amount Paid up	Latest Renunc. Date	1986/7 High	1986/7 Low	Stock	Closing Price p	+ or −
50	Nil	24/4	18pm	6pm	Allebone 10p	10pm	+2
375	Nil	—	56pm	55pm	Ladbroke 10p	55pm	−1
36	Nil	—	6pm	1½pm	‡Pict Pet 'B' 5p	6pm	.....
205	Nil	—	40pm	14pm	Turner & Newall £1	39pm	+2½
32	Nil	24/4	11pm	8pm	Wisney 4p	11pm	+1

Renunciation date usually last day for dealing free of stamp duty. a Annualised dividend. b Figures based on prospectus estimates. [illegible] capital. [illegible] Assumed dividend and yield. [illegible] Dividend and yield based on prospectus or other official estimates [illegible] Yield based on prospectus or other official estimates [illegible] and are based on latest annual earnings. R Forecast [illegible] or other official estimates. W Pro Forma Figure. [illegible] dividend, p/e ratio based on latest annual earnings. u Forecast [illegible] based on previous year's earnings. ¶ Issued by tender. ‖ Offered [illegible] Introduction. ** Issued by way of capitalisation. § Placing price. [illegible] in connection with reorganisation merger or takeover. ■ Allotment price. ‡ Unlisted securities market. †† Official London listing. ‡‡ Including warrants entitlement.

هكذا من الأصل

APPOINTMENTS

Reorganisation at Rentokil

RENTOKIL GROUP has made a top-level reorganisation resulting in the appointments of three regional managing directors responsible to group chief executive Mr Clive Thompson. Mr Graham Foote has been appointed regional managing director of UK environmental services with additional responsibility for the group's UK property and vehicles. Mr Jaap Alting has become regional managing director European environmental services, embracing all subsidiaries in the EEC and in Finland, Norway, Sweden and Switzerland. Mr Michael Gibbes has taken over as regional managing director of international environmental services responsible for Rentokil companies in Australia, New Zealand, Canada, US, the West Indies and Far East.

★

The head of the Government's new *INSPECTORATE OF POLLUTION*, which begins operation on April 1, is to be **Mr Brian Ponsford**, currently head of the Directorate of Waste Disposal. The new inspectorate brings together the inspection of air, water, waste disposal and radioactivity. **Mr Rod Perriman**, presently head of the industrial air pollution inspectorate, will be chief inspector for air, water and waste, and **Dr Frank Feates** will continue as chief radiochemical inspector. Mr Ponsford said the aim was to create a unified field force of inspectors operating on a regional basis. "Longer term, it is quite possible that we will need substantive legislation to give the Inspectorate statutory powers," he said.

★

Mr Geoffrey Ball, chairman of Cala, an Edinburgh-based property company, has been *appointed to the board of the* STANDARD LIFE ASSURANCE COMPANY.

★

Following the announcement of a licence to its new offshore bank subsidiary Credit Suisse has appointed the following as directors of GIBRALTAR TRUST BANK. The executive board comprises **Mr George S. Moore** (former chairman, Citibank NA/Citicorp) as executive chairman; **Mr Keith Risk** as managing director; with **Mr Ernst Schneider** (member of executive board, Credit Suisse) and **Mr Peter Bretscher** (senior vice president Credit Suisse) as executive directors. Non executive directors are **Lord Kenneth Keith of Castleacre** (chairman, Arlington Securities and STC, and vice president, Beecham Group); **Mr Joseph Gaggero** (chairman and managing director, Bland Group, Gibraltar); and **Mr Alfred Vasquez** (senior partner, Vasquez Benady and Co, Gibraltar, and Speaker of Gibraltar House of Assembly). **Mr Werner Peyer** becomes senior investment manager.

★

TEMPLE BAR INVESTMENT TRUST *has appointed* **Mr Peter R. Knapton** a director.

★

Mr Alan Mace has been appointed a director of STADCO, a subsidiary of Hall Engineering (Holdings). He was previously a divisional director of the pressings and assembly division.

★

BENSKINS has made three three appointments to its board: **Mr Jim Glover**, formerly retail director of Ind Coope, has been appointed managing director; **Mr Tony Lyle** has become retail director and **Mr Martin Davies** planning and marketing director.

★

RAINBOW CORP. New Zealand-based investment group, has appointed **Mr Jeremy Kemsley-Pein** as research director of its UK operation. He was with Hoare Govett as a research analyst.

★

Y. J. LOVELL (HOLDINGS) has appointed **Mr Paul Wiltshire** as managing director of Lovell Homes from April 1. He succeeds **Mr Andrew Wassell**, who has become Lovell Group managing director. Mr Wiltshire was sales and marketing director.

★

MANNESMANN TALLY has appointed **Mr Rod Saar** as managing director. He joins from CPU Computers.

★

PICKFORDS BUSINESS TRAVEL has appointed **Mr Mike Stone** as sales director. He was group commercial manager of NFC Distribution Group.

★

Mr Robert Ward-Jones has joined the board of AIR PRODUCTS as company secretary. He joined Air Products' European Law Group in 1977, having previously worked for Albright and Wilson and Clifford Turner and Co.

★

THE INSTITUTE OF PETROLEUM *has appointed* **Mr A. E. H. Williams** to the new post of director-general. **Mr D. C. Payne** becomes executive director.

★

Mr Paul Ellis has been appointed sales director of HADFIELDS INDUSTRIAL COATINGS, a member of the Kalon Group. He was general sales manager.

★

CITICORP INVESTMENT BANK has appointed **Mr Rupert Harrison** to head the new business development of Eurocommercial paper and medium term notes. He rejoins *Citicorp from Salomon Brothers* where he was involved in new business for money market instruments.

★

Mr Duncan McAuslan has been re-appointed chairman of the MERSEYSIDE AND NORTH WALES ELECTRICITY CONSULTATIVE COUNCIL for a further period ending on March 31 1991. He is a former technical and services director of UML, Wirral-based Unilever services company.

★

CRODA INTERNATIONAL has appointed **Mr Francis Hill** and **Mr John White** as associate directors. Both are area financial directors covering several Croda divisions.

★

Mr Mike Hooper has been appointed chief engineer for JOHN LAING CONSTRUCTION. He was chief civil engineer.

New investment subsidiary at Israeli bank

Plans to establish a subsidiary company for the management of investment portfolios have been announced by BANK HAPOALIM. The new company will be called "Pe'ilim—Company for the Management of Investment Portfolios" and will be headed by **Mr Arie Idelson**, formerly manager of the bank's City of London branch. Its board will be chaired by **Dr Shlomo Peled**, an Israeli attorney, and will include **Professor Gideon Fishelson**, professor of economics at Tel Aviv University, and **Dr Ben-Ami Zuckerman**, currently with Solel-Boneh, and formerly in charge of capital markets at the Israeli Ministry of Finance.

★

Mr H. Kershaw, deputy chairman of the committee of management of the LIVERPOOL VICTORIA FRIENDLY SOCIETY is to retire on April 30 and will be succeeded by **Mr W. R. Grylls**. **Mr A. Poulton**, area manager, Midlands, will be co-opted to the committee from May 5 to fill the vacancy.

★

Mr Jeremy Seddon has been appointed a director of BARCLAYS DE ZOETE WEDD.

★

Mr David Carpenter has been appointed finance director of BRITANNIA GROUP. He was finance director of Oldacre Holdings.

★

Mr John Pratt is to become finance director of ARMSTRONG EQUIPMENT, Humberside, on May 1. He is divisional finance director of Associated Engineering cylinders components division.

Legal Notice

No. 008399 of 1986
IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
IN THE MATTER OF
TELEVISION SERVICES
INTERNATIONAL PLC
AND IN THE MATTER OF
THE COMPANIES ACT 1985

NOTICE IS HEREBY GIVEN that a Petition was on the 21st day of November 1986 presented to Her Majesty's High Court of Justice for the confirmation of the cancellation of the Share Premium Account of the Company of £4,196,290. Pursuant to leave granted by the Honourable Mr Justice Vinelott on 16th March 1987 the said Petition was amended to seek from the above Court confirmation of the cancellation of the Share Premium Account of the above-named Company of £1,631,426 being the corrected amount standing to the credit of the said Share Premium Account.

AND NOTICE IS FURTHER GIVEN that the said Petition (as amended) is directed to be heard before the Honourable Mr Justice Vinelott at the Royal Courts of Justice, Strand, London WC2A 2LL, on Monday the 6th day of April 1987.

ANY Creditor or Shareholder of the said Company desiring to oppose the making of an Order for the confirmation of the said cancellation of the Share Premium Account should appear at the time of hearing in person or by Counsel for that purpose.

A copy of the said amended Petition will be furnished to any such persons requiring the same by the undermentioned Solicitors on payment of the regulated charge for the same.

This notice is in addition to that appearing in this newspaper on the 6th December 1986.

Dated this 25th day of March 1987.
BERWIN LEIGHTON of
Adelaide House,
London Bridge,
London EC4R 9HA.
(Ref: IL.)
Solicitors for the Company.

ECONOMIC DIARY

TODAY: Mrs Margaret Thatcher, Prime Minister, begins visit to Moscow (until April 1).
TOMORROW: British summer time begins (clocks advance one hour). Mr Jacques Chirac, French Prime Minister, starts four-day visit to US.
MONDAY: London sterling certificates of deposit (February). UK banks' assets and liabilities and the money stock (February). EEC Agriculture Council starts two-day meeting in Brussels. Mr Peter Bottomley, Transport Minister, to make statement on 1987-88 road maintenance programme.
TUESDAY: NEDC/FT conference "Enterprise, success and jobs — company success" at Queen Elizabeth II Centre, SW1. Irish budget. Mr Chirac meets President Reagan in Washington.
WEDNESDAY: Advance energy statistics (February). Arab League Foreign Ministers meet in Tunis. The Institute for Fiscal Studies conference "The 1987 budget" at the Park Court Hotel, W2.
THURSDAY: Capital issues and redemptions (March). UK official reserves (March).
FRIDAY: Housing starts and completions (February). International Inventions Exhibition opens in Geneva (until April 12). EEC Finance Ministers meet in Knokke (until April 5).

New Issues — March 26, 1987

Federal Farm Credit Banks Consolidated Systemwide Bonds

6.35% $540,000,000
CUSIP NO. 313311 RA 2 — DUE JULY 1, 1987

6.50% $1,160,000,000
CUSIP NO. 313311 QJ 4 — DUE OCTOBER 1, 1987

Interest on the above issues payable at maturity

Dated April 1, 1987 — Price 100%

The Bonds are the joint and several obligations of The Thirty-seven Federal Farm Credit Banks and are issued under the authority of the Farm Credit Act of 1971. The Bonds are not Government obligations and are not guaranteed by the Government.

Bonds are Available in Book-Entry Form Only.

Federal Farm Credit Banks Funding Corporation
90 William Street, New York, N.Y. 10038
(212) 908-9400

The Farm Credit System

This announcement appears as a matter of record only.

SM

ROTHSCHILDS CONTINUATION FINANCE B.V.
US$200,000,000
Primary Capital Undated Guaranteed Floating Rate Notes
Guaranteed by Rothschilds Continuation Limited

For the six months period from March 26, 1987 to September 28, 1987 the Notes will carry an interest rate of 7⅝% per annum with an interest amount of US$377.81 per US$10,000 Note. The relevant interest payment date will be September 28, 1987. The Notes are listed on

BANQUE PARIBAS (LUXEMBOURG) SA
Agent Bank

EXPERT ADVICE ON THE STOCKMARKET FREE!

Maximising profits from the stockmarket requires expert advice. That's what you get from IC Stockmarket Letter.

IC Stockmarket Letter is a weekly tip sheet published by Financial Times Business Information. We could tell you how good we are and illustrate the point by highlighting the success of a few top performers – and pretend they were typical. Or we could discuss the performance of an outstanding stockmarket winner – and imply that we tipped it (though we didn't). We could go to quite amazing lengths to deceive you and con you into subscribing.

But we on the **IC Stockmarket Letter** prefer the honest approach.

OUR REPUTATION

We don't claim to be perfect. We all make mistakes and for that reason we believe that the only accurate way of judging a tip sheet is by looking at how **all** of its recommendations perform over a fairly long and recent period. Recent form must rate highly. Any period has to be arbitrary, but the table below records **all** new recommendations made in the period from July to December 1986 (losses included). Judge us for yourself.

How our selections have performed.
List of ALL ICSL recommendations from July 1986 to December 1986

Company name	Rec. Date	% gain at 11.3.87	Your share value for £1,000 invested
Abbey Life	2-7-86	28	1,280
EIS	16-7-86	28	1,280
Australian Con Mins	23-7-86	85†	
Australian Con Mins	23-7-86	185†	2,330‡
Australian Con Mins	23-7-86	176	
Borland	23-7-86	−19	810
Enterprise Gold	23-7-86	110†	3,650‡
Enterprise Gold	23-7-86	420•	
Metana	23-7-86	122†	
Metana	23-7-86	220†	2,805‡
Metana	23-7-86	258	
North Kalgurli	23-7-86	30	1,300
Blick	30-7-86	33	1,330
Bemrose	6-8-86	48	1,480
John Maunders	27-8-86	60	1,600
William Bedford	3-9-86	42	1,420
Henderson	10-9-86	13	1,130
Process Systems	17-9-86	65	1,650
Hall Engineering	1-10-86	46	1,460
Lambert Howarth	29-10-86	63	1,630
AMEC	5-11-86	27	1,270
William Sinclair	5-11-86	47	1,470
Alfred McAlpine	12-11-86	24	1,240
Automated Security	19-11-86	25	1,250
Brooke Tool	26-11-86	6	1,060
Reed International	3-12-86	44	1,440
Kwik Save	17-12-86	11	1,110
Average		55‡	

•At the time of sale recommendation †At the time of partial sale recommendation. ‡Overall performance assumes one half of holding is retained after each partial sale.
(List excludes new issue and up-date comments).

We feel the best way to judge overall performance is by comparing each recommendation with the performance of the stockmarket as a whole over the same period. Using the FT Actuaries All-Share index as the measuring rod, the overall market gain is only 22%. Our average gain on selections is 55%. These are the facts. Free from distortion.

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IC Stockmarket Letter

Jardine Matheson Holdings Limited

1986 Profit Up 205%

Net Profit Net profit up by 205% to HK$479 million, or HK$1.26 per share.

Extraordinary Items Net credit for extraordinary items HK$52 million, compared with a charge of HK$426 million in 1985.

Dividend Final scrip dividend of HK$0.30 with cash alternative making a total of HK$0.40 for the year.

Bonus Issue Four-for-one Bonus of HK$0.20 par voting "B" shares.

Register of Members The Company's Register of Members will be closed from 22nd April to 5th May, 1987 inclusive, to identify shareholders entitled to the final dividend and from 3rd to 10th August, 1987 inclusive, to identify shareholders entitled to the bonus issue. No transfers of shares may be registered during these periods.

Extracts from Chairman's Statement "1986 was a year of progress in which significantly improved operating results were complemented by a series of strategic moves designed to simplify the Group's corporate structure. The scene is now set for a period of concentration on the development of our core businesses. A positive cash flow from operations and disposals, continuing into 1987, has transformed our balance sheet. We shall shortly have five principal listed companies in the Group, each having a strong balance sheet, clearly focused objectives and excellent prospects. We also have a number of substantial unquoted business units which enjoy strong positions in their own markets. 1987 has started encouragingly and I am confident that the measures we have taken to strengthen the Group and to concentrate on growth areas will continue to bear fruit."

	1986 HK$m	1985 HK$m
Turnover	10,416	10,497
Profit after taxation and minority interests	479	157
Extraordinary items	52	(426)
Shareholders' funds	5,019	4,774
	HK$	HK$
Earnings per share	1.26	0.42
Dividends per share	0.40	0.10
Shareholders' funds per share	12.14	11.57

The 1986 Annual Report will be posted to shareholders on 8th May, 1987.

By order of the Board
R.C. Kwok
Company Secretary
27th March, 1987

Jardine Matheson Holdings Limited
(Incorporated in Bermuda with limited liability)

PERSONAL FINANCIAL PLANNING

The Financial Times plans to publish a survey on Personal Financial Planning
APRIL 25 1987
Among the topics discussed will be:

★ PEPS
★ Financial Services Act — impact on the private investor
★ Pensions — Individual and Company schemes
★ Building Societies — how changes affect savers and borrowers
★ Big Bang — how it is helping the private investor
★ Inheritance Tax — which are best new schemes
★ Redundancy/Early Retirement — ways to handle Capital Sums
★ School Fees — schemes available

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FINANCIAL TIMES SURVEY
The Financial Times proposes to publish a

COMPUTERS IN MANUFACTURING SURVEY

on 2 June 1987

The following subjects will be covered.

1 Automated manufacturing software standards
2 Computer aided design
3 Computer aided engineering
4 Machine Vision
5 International—The state of automated manufacturing
6 Robotics and automated handling machinery
7 Machine tools
8 Case studies

All editorial comment should be addressed to the surveys editor. A full editorial synopsis and information about advertising can be obtained from Stephen Dunbar-Johnson, *telephone 01-248 8000 extn 4148, or your usual Financial Times representative.*

INTL. COMPANIES and FINANCE

Jardine plans bonus share offer

BY DAVID DODWELL IN HONG KONG

JARDINE MATHESON HOLDINGS, the Hong Kong-based conglomerate, has unveiled the last flourish of a corporate reorganisation which has taken the better part of a year. It revealed plans yesterday for a bonus share offer which will enable it to use its shares for acquisitions without jeopardising voting control.

Details of the issue—which creates a new class of Jardine shares—coincided with the announcement of net profits which rebounded to HK$479m (US$ 61.4m) in 1968 from HK$157m. The recovery was further enhanced by extraordinary gains of HK$52m, compared with losses last year of HK$426m.

The group also marked the near-completion of its reorganisation—which has involved disentangling a cross-shareholding with Hongkong Land, and the public flotations of the Dairy Farm retail and foods group and Mandarin Oriental Hotels—by setting up a pacific regional board. The board will draw on heads of the group operating companies, and allow a streamlined parent board to distance itself for broader strategic planning.

Under the share issue, which will be completed in August, holders of each existing ordinary A share, with a nominal value of HK$2, will be given four B shares. These will have a nominal value of 20 cents but will have voting rights equal to A shares.

At present, the company has 413m ordinary shares in issue. When the share split is complete, the group will also have 1.65bn B shares, making a total of just over 2bn voting shares. The group will thus be able to use A shares to finance acquisitions without putting control of the group in jeopardy, Mr Simon Keswick, the chairman, insisted that there were no takeover targets in the group's sights at present.

The share bonus will also enhance tradability of Jardine shares, Mr Keswick said. Existing ordinary shares were yesterday trading at HK$24.80 apiece, while at current prices B shares would cost HK$2.48.

The profits recovery, which comes after four years during which Jardine has wavered close to insolvency, was based on an excellent performance by Hongkong Land, by the merchant banking group Jardine Fleming, and by operations in Japan, Mr Keswick said.

Jardine's accounts also revealed yesterday that Mr David Davies, who resigned as manging director of Hongkong Land last September after disagreement over the Jardine board's decision to clip the property group's wings, was paid a "golden handshake" of HK$10.3m. Mr Davies is now based in the UK, with non-executive positions in Hong Kong and Singapore.

BHP suffers sharp reverse to A$603m

BY OUR FINANCIAL STAFF

BROKEN HILL Proprietary (BHP), Australia's largest company, suffered a decline of more than a quarter in nine-month net profits to A$603m (US$419.5m) compared with A$813m.

Earnings for the energy and mining group in the latest three months to February were down by a rather lesser extent, however, at A$206m against A$238.6m.

Both periods benefited further from A$60.7m in extraordinary gains, reflecting profits from the disposal of its holding in Blue Circle Southern Cement, less an A$180m write-down on undeveloped petroleum acreage in North America.

A maintained annual dividend of 37.5 cents per share is being paid from capital increased by some 11 per cent. In addition, BHP is to make a one-for-five scrip issue which will qualify for subsequent payouts. The group warned, however: "It should not be expected that the present rate will be maintained on the increased capital for future dividend payments."

These would be influenced by planned legislation in Australia on dividend imputation for tax purposes, due to come into force from July, but with implications which remain unclear. Some other large Australian companies have deferred distributions to their shareholders until details are resolved.

Although yesterday's results were helped by a one-third cut in its tax bill, BHP remains on the whole a full-rate taxpayer and is expected to be less affected than others by the Canberra plans. But it said the intention of its bonus share handout was to "utilise certain reserves of the company which will not be available for tax-free distribution subsequent to June 30."

Third-quarter net earnings by division showed petroleum down 29 per cent at A$98.8m, affected not only by world crude values but also by a decline in output from the maturing Bass Strait field off Victoria.

The minerals side at A$95.7m managed a 17 per cent increase, which stemmed from its larger holding in the Mt Newman iron ore project. Steel contributed A$27m, down nearly 45 per cent as higher costs were compounded by a drop in domestic deliveries.

Investment allowance credits should be of significant help in the final quarter, BHP said, but results will not match the record A$988.2m for the year to last May.

BCI more than doubles profit

BY ALAN FRIEDMAN IN MILAN

BANCA COMMERCIALE Italiana (BCI), Italy's second largest bank, yesterday announced a more than doubled 1986 net profit of L276.3bn ($212.5m). The declared 1985 net profit was L101.3bn.

At the operating level the bank's 1986 profit was L743bn: had it not been for a change in the book-keeping valuation of the bank's securities portfolio this profit would have been L275.9bn higher.

Shareholders' equity at the end of last year totalled L2,292bn, against L1,680bn at the end of 1985. A new capital increase will see the equity rising to L3,200bn, meaning that in the space of 15 months Banca Commerciale's equity has been increased by L1,520bn ($1.2bn).

The above figures refer to the bank alone—when BCI's other subsidiary and associate interests are included the group consolidated net equity reaches L4,000bn. The group consolidated net profit for 1986 was L399.3bn.

The bank's total deposits declined last year from L61,044bn to L59,043bn. Total outstanding loan advances also declined from L49,012bn to L45,452bn.

BCI, in the view of most analysts, has become the most active Italian commercial bank in corporate lending. It has been particularly active in helping to finance recent acquisitions by the Ferruzzi agro-industrial group. Mr Enrico Braggiotti, who recently took over as chief executive, has also launched plans for a joint merchant bank with Paribas of France.

Credito Italiano, which like BCI is also controlled by the IRI state holding group, also unveiled a more than doubled net profit, of L210.8bn. Credito Italiano, Italy's third biggest bank, said its net equity at year-end totalled L2,071bn, against L1,677bn the previous year.

The Cassa di Risparmio delle Provincie Lombardo (Cariplo), Italy's biggest savings bank, said its 1986 net profit rose by 47.4 per cent to L180.3bn. At the group level—including its IBI bank subsidiary, the Mediocredito Lombardo medium-term credit institute and various leasing and factoring subsidiaries—Cariplo's total assets came to L71,700bn.

IRI to seek L1,500bn of state funds

By Our Rome Staff

IRI, Italy's largest state holding group, is seeking L1,500bn ($1.2bn) of government funding for investments in high technology companies and in infrastructural projects in the south of the country.

Professor Romano Prodi, IRI chairman, made the request during an appearance before a partliamentary budget committee in Rome. The IRI chief explained that the L1,500bn of funding, requested for the 1987-89 period, would be part of an overall L9,000bn five-year investment programme for Italy's mezzogiorno or south.

Among the investments planned are the setting up of information technology companies in the region of Calabria, a compact disc manufacturing venture with Philips of the Netherlands in Aquila—east of Rome—electronic systems ventures in Sicily and a variety of road works and other infrastructural projects.

Professor Prodi reminded the parliamentary committee that IRI achieved a break-even result in 1986, the first time this has happened after many years of heavy losses. The group made a loss of L850bn in 1985.

Debt servicing charges remained high at 8 per cent of last year's L48,000bn of IRI group turnover, but the proportion in 1982 was 16 per cent, Professor Prodi said.

Last year IRI received a government grant of L870bn. The likely amount in the current year will be L500bn.

Support pales for blood bank

BY GORDON CRAMB

PRIVATE BLOOD BANK, an Australian company floated four months ago as the country's latest "play" on AIDS fears, has entered a crisis of its own following official inquiries into the corporate activities of Mr Peter Milton Walker, its founder.

The New South Wales state government said yesterday that a warrant had been issued for Mr Walker's arrest as a result of unspecified investigations by the Corporate Affairs Commission.

Mr Walker's whereabouts are unknown. He resigned as chief executive some weeks ago, but retains a large but indeterminate stake in the company, for which he had provided.

Trading in the company's shares was suspended on Tuesday when Mr Alan Bond, the Perth brewing and media entrepreneur, was believed to be ready to take a stake. Mr Bond is since said to have changed his mind.

The shares, issued to investors late last year at A$1, had soared well into double figures before falling back to a suspension price of A$3.80. This values Private Blood Bank at some A$42.2m (US$29.3m).

The company claims 6,000 clients, quantities of whose blood it holds in frozen state. Its detractors say that, apart from accusations of opportunism, public blood supplies in the country, as in most of the developed world, are now free from contamination by the virus.

In its defence, Private Blood Bank—now headed by pathologist Dr Earl Hackett—says it has refined the storage technique for blood which reduces almost to zero the wastage when supplies are defrosted for use. Previously, as much as half the volume could be lost. This, it is argued, has applications beyond AIDS protection.

Italtel lifts net earnings by 78%

By Our Milan Correspondent

ITALTEL, the Milan-based Italian state telecommunications equipment maker which may be merged with Fiat's Telettra subsidiary, lifted consolidated net profits in 1986 by 78.4 per cent to L75.1bn ($57.8m).

The net profit, struck on L1,315.4bn of consolidated sales—up 7 per cent on 1985—represented a return of 14 per cent on Italtel's equity, against 8.9 per cent the previous year. Debt servicing charges, meanwhile, were L44.9bn in 1986, less than half the L111.6bn of 1985.

Italtel employed a total of 17,745 people at the end of last year, down from 18,840 in 1985.

National Medical result shows modest decline

BY DAVID OWEN IN NEW YORK

NATIONAL MEDICAL Enterprises (NME), the second largest US health care group, has reported a slight decline from last year in net income for its third quarter ended February 28.

In the latest quarter, the company earned $34.2m or 43 cents per share fully diluted on revenues of $823.3m, compared with $39.8m, 50 cents a share, on revenues of $794.3m in the corresponding year-earlier period.

Commenting on the results, Mr Richard Eamer, NME's chairman and chief executive, noted that higher tax rates penalised after-tax earnings for the quarter by 3 cents per share compared with 1986.

While the company's pared-down hospital group achieved improved margins and the specialty hospital group—consisting of psychiatric, substance abuse and physical rehabilitation facilities—made strong gains, the retail services group returned a loss for the quarter, Mr Eamer said.

For the nine months ended February 28, net income totalled $99.4m on revenues of $2.5bn. This compared with earnings of $112.6m on revenues of $2.2bn a year earlier.

Brierley Investments in Progressive bid

BRIERLEY INVESTMENTS (BIL) of New Zealand has launched a NZ$523.7m (US$295.6m) full takeover bid for the supermarket group Progressive Enterprises, Reuter reports from Wellington.

The NZ$4.35 per share offer is conditional on minimum acceptances of just under 25 per cent. Progressive is planning a merger with Rainbow Corporation, which already holds 52 per cent.

Meanwhile, its Industrial Equity affiliate has built a 10.12 per cent stake in Peko-Wallsend, the Australian minerals and energy company, valued yesterday at some A$60.65m (US$42.2m).

Veba may look at US chemicals acquisition

BY DAVID MARSH IN DUESSELDORF

VEBA, the large West German energy conglomerate which this week has been fully privatised, is looking at the possibility of building up its chemical operations through an acquisition in the US, Mr Rudolf von Bennigsen-Foerder the chairman, said yesterday.

Mr von Bennigsen said this week's DM 2.5bn ($1.36bn) sale of the government's residual 25.55 per cent stake in the company had been oversubscribed. He was clearly pleased with the way the placement had gone.

Veba is the holding company for a group with interests in electricity generation, chemicals, oil, gas, trading and transport. It registered group net profits last year of DM 992m on turnover of DM 40.2bn.

Mr von Bennigsen said full privatisation would have no effect on the company's operations since it was already acting like a fully private group. However, he said privatisation protected Veba against the possibility of interference from any future goverment in Bonn, which might include representatives from the Greens anti-nuclear party.

One of Veba's leading subsidiaries is PreussenElektra, the second largest West German utility, which last year relied on nuclear energy for two-thirds of its electricity generation.

Mr von Bennigsen, who has chaired Veba since 1971, said any future Social Democratic Party (SPD) government, which could enter into an alliance with the Greens, might have "a different philsophy on the economy" compared with the SPD of the 1970s.

The Veba share issue this week had been subject to uncertainty because of the poor recent performance of German stock markets. Mr von Bennigsen said that last Friday, the Finance Ministry and its financial advisers had considered postponing the flotation.

The decision to go ahead, which Veba had been urging strongly in order to lower pressure on the company's share price seems, however, to have paid off. The Veba share price rose DM 7.50 yesterday to DM 271.50 in line with a general recovery in Frankfurt bourse prices—well up from DM 253.50 a week ago and from the issue price of DM 250.

The chairman said consortium banks, led by Deutsche Bank, had agreed to support the share price in the aftermath of the placement if shares from the offering should flow back to the market. Funding for this would be deducted from the banks' commissions.

Mr von Bennigsen said Veba's Huels chemicals subsidiary — the fifth largest chemical company in West Germany — was looking at possible acquisitions in the US to build up business there. He said it was "possible" that Huels would be able to announce a large investment there over the next 12 months, but added that the company saw no room for hurry.

COMMODITIES AND AGRICULTURE

WEEKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'nge on week	Year ago	1985/87 High	1985/87 Low
METALS					
Aluminium					
Free Market c.i.f.	$1390/410	+50	$1355/1355	$1495/1515	$1160/1170
Antimony					
Free Market 99.6%	$2300/2350	−15	$2700/2730	$2720/2780	$2250/2300
Copper-Cash Grade A	£951	+28.5	£984.75	£1028.5	£862.25
3 months Grade A	£905.5	+4.75	£1003.25	£1059.25	£881.25
Gold per oz	$416.75	+12.25	$343.75	$439.375	$327.5
Lead Cash	£312.5	+7	£249.25	£376.5	£233.5
3 months	£303	+3.5	£257.75	£337.5	£241.25
Nickel					
Free market	169/189c	−1	181/201c	196/216c	156/177c
Palladium	$128.40	+3.15	$112.00	$151.00	$95.25
Platinum per oz	$553.50	+31.25	$423.50	$675.75	$342.50
Quicksilver (76 lbs)	$205/215	—	$230/240	$280/260	$115/12
Silver per oz	371.10p	+23.70	378.00p	452.10p	317.70p
3 months per oz	380.10p	+24.25	388.00p	458.20p	325.60
Tin				£5900/6250	£3,420/450
Free market	£4,220/240	−60	†		
Tungsten Ind.	$47.08	—	$65.61	$69.74	$41.44
Wolfram (22.04 lb)	$48/52	+2	$48.56	$56/63	$32/42
Zinc cash	£464.25	+9.75	£435.5	£632.5	£409
3 months	£461.75	+9.5	£445.5	£621.75	£419.25
Producers	$770/790	—	$650/670	$920	$650/670
GRAINS					
Barley Futures Sept	£99.05	+0.60	£99.05	£118.80	£96.56
Maize French	£142.50	—	£140.50	£154.00	£130.00
WHEAT Futures July	£125.00	+2.20	£120.20	£125.00	£98.30
SPICES					
Cloves	$3,200	−175	$4800	$4,850	$3,200
Pepper white	$4,975	−375	$5500	$6,400	$4,600
black	$4,400	−100	$3850	$4,800	$3,600
OILS					
Coconut (Philippines)	$390x	+35	$317.5	$470	$200
Palm Malayan	$330y	—	$262.5	$405	$197
SEEDS					
Copra (Philippines)	$260v	+10	$190	$300	$140
Soyabeans (U.S.)	$136	—	†	$229.8	$133.5
OTHER COMMODITIES					
Cocoa Futures May	£1302.5	+6	£1417.5	£1,804.5	£1,264.5
Coffee Futures May	£1277	−6	£2441	£3,007.6	£1,264.5
Cotton Outlook A Index	62.95c	+0.2	50.20c	67.20c	36.35c
Gas Oil Fut. May	$146.5	+0.5	$127	$232.75	$90.75
Jute UA SWC grade	$300	—	$290	$325	$215
Rubber Kilo	60p	−0.75	57.75p	68p	54p
Sisal No. 3L	$610	—	$595	$625	$590
Sugar (Raw)	$181x	−11	$204	$222.5	$115
Tea (quality) kilo	†	—	†	202p	170p
(low med) kilo	85p	—	†	136p	80p
Wooltops 64s Super	443p kilo	+3	415p Kilo	443p kilo	387p kilo

† Unquoted. (g) Madagascar. (y) May. (v) April. (x) April-May. (z) March-April.

LONDON MARKETS

ALUMINIUM

Official closing (am): Cash 848-9

	Unofficial close (p.m.) £ per tonne	+ or —	High/Low
Cash	852-4	+4.5	—
3 months	806-6.5	+6.75	809/801

(850-1), three months 801.5-2 (798-9), settlement 849 (851). Final Kerb close: 809-9.5.

Turnover: 15,225 tonnes.

COPPER

Grade A	Unoffic'l close £ per tonne	+ or —	High/Low
Cash	950-2	+7	965/950
3 months	905-6	+3.25	906/903

Official closing (am): Cash 958-9 (956-7), three months 903-3.5 (902-3), settlement 959 (937). Final Kerb close: 904-5.

Standard			
Cash	879-83	+8	879
3 months	881-4	+2	884

Official closing (am): Cash 875-80 (869-71), three months 883-4 (877-82), settlement 880 (871). US Producer prices 67.75-71.50 cents per lb.

Total turnover: 49,000 tonnes.

LEAD

	Unofficial close (p.m.) £ per tonne	+ or —	High/Low
Cash	312-3	+3.5	312.75/312
3 months	302-3.5	+1.25	304/301

Official closing (am): Cash 312.75-3 (308.5-9), three months 303-3.25 (301-1.5), settlement 313 (309). Final Kerb close: 301-1.5.

Turnover, 10,050 tonnes. US Spot: 24-27 cents per lb.

NICKEL

	Unofficial close (p.m.) £ per tonne	+ or —	High/Low
Cash	2330-40	+7.5	2325
3 months	2350-5	+5	2356/2340

Official closing (am): Cash 2325-30 (2315-20), three months 2340-1 (2343-5), settlement 2330 (2320). Final Kerb close: 2350-5

Turnover: 894 tonnes.

TIN

KUALA LUMPUR TIN MARKET: Close 16.61 (16.61) ringgit per kg.

ZINC

High grade	Unofficial close (p.m.) £ per tonne	+ or —	High/Low
Cash	464-4.5	+12.75	—
3 months	461.5-2	+9.5	462.5/455

Official closing (am): Cash 463-4 (448.5-9.5), three months 459.5-60 (453.5-1), settlement 464 (449.5). Final Kerb close: 461.5-2.

Turnover: 15,300 tonnes. US Prime Western: 37.50-44 cents per lb.

GOLD

Gold rose $5 an ounce from Thursday's close in the London bullion market yesterday to finish at $416½-$417. The metal opened at $414½-$415 and traded between a high of $417¼-$417¾ and a low of $414-$414½. Demand for the metal was due mainly to a weaker dollar while technical factors also played a part in attracting fresh buyers.

GOLD BULLION (fine ounce)	Mar. 27	
Close	$416½-417	(£260-260½)
Opening	$414½-415	(£258½-258¾)
M'n'g fix	$415¾	(£258,805)
Aft'n'n fix	$416¾	(£259,457)

GOLD AND PLATINUM COINS		
Am Eagle	$429-434	(£267½-270½)
Mapleleaf	$428-451	(£267¼-269)
Kr'g'r'nd	$420-425	(£262¼-264)
½ Krug	$218-219	(£136-136¾)
¼ Krug	$110½-111½	(£69-69½)
Angel	$420-423	(£262¼-264)
1/10 Angel	$43-48	(£26¾-30)
New Sov	$99½-100½	(£62¼-62¾)
Old Sov	$99½-101	(£62¼-63)
$20 Eagle	$500-550	(£312¼-345¼)
Noble Plat	$536-564	(£334½-352)

SILVER

Silver was fixed 7.2p an ounce higher for spot delivery in the London bullion market yesterday at 371.1p. US cent equivalents of the fixing levels were: spot 596c, up 11.9c; three-month 605.65c, up 12c; six-month 614.95c, up 12.2c; and 12-month 633.85c, up 12.65c. The metal opened at 370-372p (594-596c) and closed at 378½-380½p (607-609c).

SILVER per troy oz	Bullion Fixing Price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	371.10p	+7.20	381.5p	+17.5
3 months	380.10p	+7.30	390p	+17
6 months	388.35p	+7.35	—	—
12 months	405.00p	+7.95	—	—

LME—Turnover: 31 (1) lots of 10,000 oz.

Three months high/low 385p, final kerb 389-91p.

INDICES

REUTERS

Mar. 26	Mar. 25	M'th ago	Year ago
1534.7	1528.9	1583.8	1810.4

(Base: September 18 1931=100)

DOW JONES

Dow Jones	Mar. 26	Mar. 25	M'th ago	Year ago
Spot	115.27	115.81	—	131.66
Fut	114.28	114.71	—	132.12

(Base: September 18 1931=100)

SOYABEAN MEAL

	Y'sterd'ys close £ per tonne	+ or —	Business done
June	115.5-114.5	−0.25	114.0
August	109.8-109.5	−0.25	109.0
October	109.5-110.5	−0.50	—
Dec	112.8-115.0	−0.50	112.5
Feb	115.6-116.5	—	115.5
April	116.0-118.5	−1.25	—

Sales: 512 (51) lots of 20 tonnes.

COFFEE

The market established its range early on in quiet and thin conditions, reports Drexel Burnham Lambert. Volume and direction were lacking in a market with no fresh fundamental factors to bring dealers off the sidelines.

COFFEE	Yesterday close	+ or —	Business Done
Mar	1252-1264	—	1258-1250
May	1275-1279	−1.5	1283-1268
July	1291-1295	+6.0	1293-1278
Sept	1305-1308	+2.5	1310-1297
Nov	1328-1332	−1.0	1336-1319
Jan	1350-1365	+5.0	1360-1360
Mar	1360-1380	−5.0	—

Sales: 2,365 (3,741) lots of 5 tonnes. ICO indicator prices (US cents per pound) for March 26: Comp. daily 1979 99.88 (100.63); 15-day average 100.44 (100.37).

COCOA

Opening steadier than expected, futures held the gains through to the afternoon, when the announcement of ICCO talks ending successfully sparked off a further advance and a closing call near the highs of the day, reports Gill and Duffus.

	Yesterday's close £ per tonne	+ or —	Business done
March	1271-1290	+15.5	1272-1263
May	1302-1303	+16.5	1305-1274
July	1329-1330	+16.5	1332-1303
Sept	1347-1348	+15.5	1350-1329
Dec	1372-1375	+11.5	1379-1358
March	1398-1399	+10.5	1402-1384
May	1417-1418	+9.01	1418-1406

Sales: 4,652 (3,362) lots of 10 tonnes. ICCO indicator prices (SDRs per tonne). Daily price for March 27: 1582.38 (1573.04): 10-day average for March 30: 1583.04 (1581.72).

POTATOES

The market traded quietly in a limited range, drifting down towards the close on pre-weekend book-squaring to finish at the lows. The Dutch export figure announced after the London close was 41,500 tonnes, reports Coley and Harper.

Month	Yesterday's close £ per tonne	Previous close	Business done
Apr	165.70	166.50	167.50-165.70
May	184.20	185.00	187.00-184.20
Nov	95.00	94.10	95.90-95.00
Feb	104.50	103.50	—
Apr	129.50	127.60	130.00-128.00

Sales: 702 (1,037) lots of 40 tonnes.

SUGAR

LONDON DAILY PRICE—Raw sugar $181.00 (£112.50), down $1.00 (down £1.50) a tonne for April-May delivery. White sugar $199.00, up $1.50

Prices eased following renewed selling from commission houses and managed fund accounts, reports C. Czarnikow.

No. 6 Contract	Y'sterd'ys close $ per tonne	Previous close	Business done
May	151.4-151.6	152.0-152.2	153.6-148.0
Aug	156.8-156.0	165.8-158.0	167.4-154.0
Oct	158.4-158.6	166.2-168.6	170.2-157.0
Dec	159.6-161.0	170.2-171.6	170.2-172.2
Mar	166.0-167.6	176.6-176.8	177.0-170.6
May	170.0-170.6	179.2-179.5	—
Aug	172.0-175.8	181.7-182.5	—

Sales: 3,482 (3,105) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis sugar was £215.00 (£218.50) a tonne for export.

International Sugar Agreement—(US cents per pound fob and stowed Caribbean ports). Prices for March 26: Daily price 7.08 (7.02); 15-day average 7.60 (7.67).

PARIS—(FFr per tonne): May 1201/1205, Aug 1223/1225, Oct 1250/1257, Dec 1270/1280, March 1298/1315, May 1325/1345.

MEAT

MEAT COMMISSION—Average fatstock prices at representative markets. GB—Cattle 95.02p per kg lw (+0.15). GB—Sheep 219.73p per kg est dcw (+12.90). GB—Pigs 78.19p per kg lw (−1.58).

US MARKETS

ACTION CENTRED on the precious metals, reports Drexel Burnham Lambert. A combination of a weaker dollar, expiring options in gold futures and technical break-outs through major resistance areas held the markets steady throughout the day. Heavy trade, local and commission house buying in the gold, silver and platinum futures touched off stops as the markets penetrated overhead resistance and broke chart downtrend lines. The incessant buying was punctuated only by brief set-backs as traders took short-term profits. Crude oil futures traded narrowly and was barely steady as attention focused on commission house and trade selling which touched off stops, combining to overwhelm price-fix trade buying. Cocoa rallied as consumers and producers reached a compromise over rules governing the operation of the buffer stock manager. Trade buying and shortcovering steadied values despite speculative and producer selling. Coffee, Orange juice and Cotton were all quiet. Grains were initially weak as the US government announced changes in methods of handling redemptions under price support programmes, but reports of possible allocations to the Soviet Union and China under the export support programme saw the markets recover. The meats were generally slow and barley steady.

NEW YORK

ALUMINIUM 40,000 lb, cents/lb	Close	Prev	High	Low
March	61.90	61.30	—	—
May	60.90	60.30	60.90	60.70
July	59.50	59.00	—	—
Sept	57.50	57.30	—	—
March	56.95	56.75	—	—
May	56.95	56.75	—	—
July	56.95	56.75	—	—

COCOA 10 tonnes, $/tonnes	Close	Prev	High	Low
May	1925	1891	1933	1898
July	1942	1914	1955	1923
Sept	1966	1938	1983	1950
Dec	1995	1969	2005	1979
March	2023	2000	2025	2025
May	2043	2020	—	—

COFFEE "C" 37,500 lb, cents/lb	Close	Prev	High	Low
May	104.78	103.96	104.90	103.30
July	106.84	106.46	107.15	105.70
Sept	108.90	108.76	109.50	108.00
Dec	112.00	111.56	112.00	111.25
March	113.25	113.50	113.60	113.25
May	115.05	114.13	—	—
July	116.71	116.01	—	—

COPPER 25,000 lb, cents/lb	Close	Prev	High	Low
March	64.15	64.00	64.55	64.50
May	64.40	64.30	64.85	64.25
July	63.80	63.70	64.20	63.70
Sept	63.80	63.65	64.20	63.95
Dec	64.10	63.85	64.25	64.15
March	64.65	64.40	64.80	64.50
May	65.05	64.80	—	—
July	65.50	65.25	—	—
Sept	65.85	65.60	—	—

COTTON 50,000 lb, cents/lb	Close	Prev	High	Low
May	57.95	57.82	58.65	57.35
July	56.80	56.60	57.39	56.15
Oct	55.45	54.75	55.65	54.60
Dec	54.80	54.07	55.11	53.75
March	55.56	55.00	55.65	54.75
May	56.35	55.30	—	—
July	56.80	56.80	—	—

CRUDE OIL (LIGHT) 42,000 US gallons, $/barrels	Latest	Prev	High	Low
May	18.63	18.63	18.66	18.50
June	18.37	18.31	18.39	18.22
July	18.14	18.10	18.18	18.01
August	17.97	17.96	18.00	17.89
Sept	17.86	17.86	17.86	17.82
Oct	17.77	17.81	17.80	17.75
Dec	17.79	17.78	17.79	17.75
Jan	17.75	17.76	17.80	17.75

GOLD 100 troy oz, $/troy oz	Close	Prev	High	Low
March	422.7	411.5	—	—
April	422.7	411.7	424.0	415.7
May	423.8	413.8	—	—
June	427.5	416.3	428.5	420.5
August	432.0	420.6	435.5	425.0
Oct	436.3	424.7	437.0	429.5
Dec	440.5	428.7	443.0	432.0
Feb	444.3	432.9	446.5	437.5

HEATING OIL 42,000 US gallons, cents/US gallons	Latest	Prev	High	Low
April	49.15	49.25	49.25	48.45
May	48.95	46.90	49.15	48.30
June	48.50	48.23	48.70	47.90
July	48.25	48.03	48.35	47.45
August	48.50	48.33	48.25	48.00
Sept	49.35	49.03	49.20	48.80
Nov	50.50	50.53	50.50	50.50

ORANGE JUICE 15,000 lb, cents/lb	Close	Prev	High	Low
May	133.60	134.00	134.70	133.55
July	132.50	132.40	133.30	132.05
Sept	129.95	129.50	130.10	128.60
March	125.80	126.05	—	—
May	125.80	125.05	—	—

PLATINUM 50 troy oz, $/troy oz	Close	Prev	High	Low
April	565.0	539.1	566.0	548.0
July	569.9	544.9	569.9	556.0
Oct	574.0	549.0	574.0	560.0
April	583.6	558.6	583.6	571.0

SILVER 5,000 troy oz, cents/troy oz	Close	Prev	High	Low
March	619.9	592.0	639.0	600.0
May	624.0	596.0	643.0	604.0
July	630.9	602.6	650.0	611.0
Sept	637.8	609.1	655.0	617.0
Dec	647.7	618.7	667.5	627.0
Jan	651.2	622.1	—	—
March	657.6	628.3	673.0	634.5
May	664.5	635.1	671.0	641.0
July	671.9	642.2	675.5	653.0
Sept	679.2	649.2	689.5	653.0

SUGAR WORLD "11" 112,000 lb, cents/lb	Close	Prev	High	Low
May	6.75	7.21	7.31	6.65
July	6.89	7.38	7.46	6.83
Sept	6.95	7.33	7.55	6.95
Oct	7.12	7.55	7.65	7.05
Jan	7.40	7.85	—	—
March	7.50	7.90	7.96	7.40
May	7.64	8.04	—	—
July	7.74	8.10	—	—

CHICAGO

LIVE CATTLE 40,000 lb, cents/lb	Close	Prev	High	Low
April	67.42	67.22	67.65	66.85
June	63.47	63.50	63.77	63.29
August	59.37	59.37	59.67	59.15
Oct	58.85	58.95	59.12	58.65
Dec	59.00	59.02	59.10	58.75
Feb	58.82	58.80	58.80	58.57
April	59.70	59.70	59.70	59.50

LIVE HOGS 30,000 lb, cents/lb	Close	Prev	High	Low
April	47.62	47.52	47.70	47.12
June	47.77	47.35	47.90	47.15
July	46.42	45.80	46.45	45.80
August	43.65	43.00	43.70	42.90
Oct	39.20	38.82	39.35	38.75
Feb	38.86	38.85	39.15	38.75
April	36.85	36.77	37.00	36.80
June	38.86	38.85	38.85	38.85

MAIZE 5,000 bu min, cents/56lb-bushel	Close	Prev	High	Low
May	163.2	164.2	164.4	160.6
July	165.6	166.2	167.2	163.0
Sept	169.4	169.2	171.0	167.6
Dec	177.4	175.8	178.2	174.0
March	184.8	182.6	185.2	181.2
May	188.2	184.2	189.4	183.4
July	187.4	185.0	189.4	185.0

PORK BELLIES 38,000 lb, cents/lb	Close	Prev	High	Low
May	70.57	68.57	70.67	68.25
July	67.97	66.02	68.02	65.85
August	64.20	62.30	64.30	62.20
Feb	56.15	55.60	56.75	55.50
March	55.30	55.32	56.70	55.30

SOYABEANS 5,000 bu min, cents/60lb-bushel	Close	Prev	High	Low
May	496.2	493.4	496.4	491.0
July	495.2	492.2	496.0	489.0
August	493.4	489.6	494.0	487.6
Sept	486.4	482.0	488.4	480.4
Nov	484.6	481.2	485.0	479.2
Jan	490.4	487.4	489.4	495.0
March	497.4	494.0	497.4	492.0
May	501.4	498.4	501.4	499.0
July	501.0	499.0	501.0	501.0

SOYABEAN MEAL 100 tons, $/ton	Close	Prev	High	Low
May	142.4	141.8	142.9	140.8
July	141.7	140.9	142.2	140.0
August	141.5	140.6	141.7	140.0
Sept	141.0	140.8	141.2	139.5
Oct	140.1	139.5	140.3	138.8
Dec	141.0	140.0	141.1	139.3
Jan	141.6	140.7	141.5	141.7
March	142.9	141.9	142.8	143.0

SOYABEAN OIL 60,000 lb, cents/lb	Close	Prev	High	Low
May	15.62	15.42	15.63	15.38
July	15.97	15.76	15.99	15.73
August	16.13	15.89	16.10	15.94
Sept	16.26	16.02	16.35	16.00
Oct	16.35	16.10	16.35	16.07
Dec	16.65	16.39	16.65	16.35
Jan	16.62	16.38	16.60	16.65

WHEAT 5,000 bu min, cents/60lb-bushel	Close	Prev	High	Low
May	290.2	285.2	292.4	283.6
July	269.0	265.0	270.4	263.6
Sept	268.6	264.0	270.4	263.4
Dec	274.0	268.6	274.0	268.6
March	273.0	268.0	273.2	272.0
May	273.4	271.0	—	—

SPOT PRICES—Chicago loose lard 15.00 (14.50) cents per pound. Handy and Harman silver bullion 614.5 (589.5) cents per troy ounce. New York tin 313-5 (313-6) cents per pound.

FREIGHT FUTURES

Large selling orders caused the market to fall substantially in early trading. The BFI was 3.5 points higher which lifted the futures but renewed selling depressed levels, reports Clarkson Wolff.

	Close	High/Low	Prev.
Dry Cargo			
April	1019/1025	1020/1005	1025
July	858/860	975/855	871
Oct.	920/925	940/923	940/950
Jan.	925	—	940
Apr.	935/955	975/958	975
July	790/850	—	800/850
Oct.	880	—	920
Jan.	890	—	800/950
BFI.	991.5	—	987

Turnover: 517 (655).

RUBBER

PHYSICALS — Closing prices (buyers): Spot 60.00p (same); May 60.75p (same); June 60.25p (same). Kuala Lumpur fob prices (Malaysian cents a kilo): RSS No. 1 238.5 (same); SMR 20 193.5 (193.0).

FUTURES—Index 591, April 585-600, April/June 585-600, July/Sept 585-600. Sales: Nil.

GRAINS

Old crop wheat surged through new contract highs on aggressive shipper buying with short-term profit-taking the only resistance. New crops firmed on wheat, reflecting a good export demand, reports T. G. Roddick.

Mnth	WHEAT Yest'rdy's close £ per tonne	+ or —	BARLEY Yest'rdy's close £ per tonne	+ or —
May	120.85	+0.75	114.05	—
July	123.00	+0.60	—	—
Sep.	101.00	+0.35	99.60	—
Nov.	103.00	+0.60	102.00	−0.10
Jan.	105.55	+0.50	104.20	−0.10
Mar.	108.10	+0.55	106.55	−0.10

Business done—Wheat: May 120.85-20.30, July 123.00-2.55, Sept 101.00-0.85, Nov 103.00-2.90, Jan 105.60-5.40, Mar 10810. Sales: 296 lots of 100 tonnes. Barley: May 114.05, Sept 99.75-9.60, Nov 102.00, Jan 104.20, Mar untraded. Sales: 44 lots of 100 tonnes.

LONDON GRAINS—Wheat: US dark northern spring No 1 15 per cent April-May 86.00, June 85.75, July 96.00. US No. 2 soft red winter June 90.75, July 89.00, Aug 88.75. French 11½-12 per cent March 146.00. English feed fob March 119.00, May-June 123.00 paid east coast, April-June 121.00-122.00 buyer/seller, Sept 103.00 value, Oct 103.00-103.25, Oct-Dec 106.00-106.25, Jan-March 110.25-110.75 buyer/sellers, April-June 113.00 seller. Maize: US No. 3 yellow/French transhipment east coast second-half March 142.50. Barley: English feed fob April 116.00 buyer English, Scottish, 116.00-117.00 buyer/sellers English, Aug 100.00, Sept 102.00 sellers, Oct-Dec 105.00, Jan-March 109.00 buyer.

HGCA—Locational ex-farm spot prices. Feed barley: Eastern 113.00, E. Mids 113.60, N. East 115.00, Scotland 112.00. The UK monetary coefficient for the week beginnig Monday April 6 (based on HGCA calculations using three days' exchange rates) is expected to be unchanged.

OIL

Brent traded thinly at the same levels as Thursday. Afternoon prices softened and the differential between April and May narrowed to 45c. May WTI opened 8c down on Nymex and was 7c down at 1.30 pm EST after trading in a narrow 10c range. In the petroleum products market prompt gas oil fell with recent buying interest apparently covered. Naphtha remained stable in quiet trade. Fuel oil was firm on a shortage of availabilities—Petroleum Argus, London.

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)—April		
Arab Light	—	—
Arab Heavy	—	—
Dubai	17.15-17.20	n/a
Brent Blend	18.35-18.40	−0.075
W.T.I. (1pm est)	18.55-18.60*	—
Forcados (Nigeria)	—	—
Urals (cif NWE)	—	—
PRODUCTS—North West Europe Prompt delivery cif ($ per tonne)		
Premium gasoline	194-197	+1
Gas Oil	145-147	−2
Heavy fuel Oil	102-104	+4
Naphtha	170-173	—

* May

Petroleum Argus estimates

GAS OIL FUTURES

Month	Yestrdy's close US $ per tonne	+ or —	Business Done
Apr	147.25	+0.75	148.00-45.75
May	146.50	+0.25	147.50-45.25
June	146.25	—	147.00-44.75
July	146.00	+2.00	146.00
Aug	143.50	−4.00	—

Turnover: 2,927 (4,465) lots of 100 tonnes.

HEAVY FUEL OIL

Month	Yesterday close US $ per tonne	+ or —	Business Done
Apr	103.00	−0.50	103.00-102.00
May	95.00	+2.00	95.00-93.50
June	—	—	—

Turnover: 27 (3) lots of 100 tonnes.

WORLD STOCK MARKETS

WALL STREET

Dow off 36 on inflation fears

SHARPLY LOWER levels developed in moderately active trading on Wall Street yesterday, when the weaker dollar rekindled inflation fears. Analysts also said the Stock Market was ripe for a pullback after sharp gains over a two-week period. Gold shares posted big gains.

After rising seven points in the first 10 minutes, aided by Japanese buy orders, the Dow Jones Industrial Average steadily declined to close 36.79 down at 2335.80—its biggest loss since mid-January—cutting its gain on the week to a mere 2.28. The NYSE All Common index, at $168.37, lost $2.40 on the day and *1.00 on the week. Volume eased* to 184.40m (196.04m) shares, with declines leading advances by 1125 to 454.

Hildegard Zagorski, of Prudential-Bache Securities, said the drop in the dollar, which in *turn led to a lower bond market*, triggered a wave of profit-taking in the Drugs and other groups.

Borg-Warner, however, bucked the trend, climbing $2⅞ to $44 and led the actives with 12.7m shares. Irwin Jacobs said he sold *10m* shares, *while GAF Corp* said it bought 9.1m shares of Borg-Warner. A block of 10.07m shares *crossed the tape at $40½*.

Arbitrageurs said there was speculation GAF, which now owns 19.9 per cent of Borg-Warner, will make a bid for the entire company. GAF, which attempted to acquire Union Carbide *two years ago, rose $⅞* to $44⅞.

Gold shares were bought as a hedge against what's happening to the dollar, said Eldon Grimm of Birr Wilson Securities.

He said a sharp drop in the bond market was part of the picture as investors wait to see *if dollar will stabilise.*

Homestake Mining gained $1⅞ to $32⅞. **Newmont Mining** $6½ to $95¼ and **ASA** $4⅞ to $61⅞. Silvers moved higher with **Sunshine** rising $1 to $6 and **Hecla** $1¼ to $17⅞.

Echo Bay Mines *rose* $2⅞ *to* $39½ on the American SE and **Battle Mountain Gold** climbed $2 to $32 in Over-the-Counter trading.

In the Rail group, **Norfolk Southern** fell $2⅞ to $94⅞. **CSX**, which signed a letter on intent to acquire certain assets from **McLean Industries**, dipped $1⅞ to *$32⅞*.

Standard Oil declined $⅞ to $70½—the shares soared Thurs*day to above* their $70 *price* offered by **British Petroleum** for Standard shares it does not already own.

Pay 'N Pack climbed $3⅛ to $17—investor Paul Bilzerian said he holds 7.2 per cent of the shares and may seek control.

THE AMERICAN SE Market Value Index fell 0.30 to 338.11, *reducing its rise on the week* to 0.31. Volume 14.94m (14.91m) shares.

TOKYO

Share prices soared to a record closing high on record turnover as bullish sentiment on the first trading day of the fiscal year, numerous buying incentives and a robust *Wall* Street persuaded investors to buy.

The Nikkei Dow market aver*age rocketed 467.87 to a record high* of 22,026.66. The *previous* record was 21,866.31 set on March 23. Advances led declines *four-to-three on record turnover* of 2.6bn (1.4bn) shares—previous record 2.4bn on March 18.

Financial and domestic-demand related shares led the rise.

Railways, Warehouses, Rolling Stock, Constructions, Airlines, Electric Power, Gas and Food shares gained as Japan looks set to expand its domestic economy.

The yen's rise against the dollar, a meeting of the Group of Five industrial nations on April 8 and Prime Minister Nakasone's scheduled late April visit to the US are likely to pressure Japan into inflating its economy, dealers said.

GERMANY

Leading shares showed big gains in an extremely active Bourse, boosted by strong foreign demand and generally bullish sentiment.

Japanese and US investors showed strong interest in Banks, Autos and Chemicals. Bargain hunting and expectations the dollar will remain around current levels underpinned rises.

Dealers said some share prices had risen more than 10 per cent over the past three days. The Commerzbank index of 60 leading shares, calculated at mid-session, jumped 40.9 to 1,779.4.

Dealers said news Thursday of a rise in **Hoechst's**, up DM 6.2 to 276.7, 1986 profits, despite lower sales, and a projected sales increase in 1986-87 at **Siemens**, up DM 3.5 at 677, dispelled some of the recent gloom about company earnings. *The successful* placement of the large **Veba** issue also supported prices.

High-tech **Nixdorf** rose DM 22.40 to 752.90, boosted by an order worth about DM 300m from the West German Federal Labour Office.

SINGAPORE

Generally lower over a broad front on profit-taking in quiet trading. But some issues *recovered on late bargain hunting.* Most local and foreign investors were reluctant to enter the market in the absence of fresh factors.

The Straits Times Industrial index shed 2.12 to 1,080.04. Turn*over 27.2m (36.5m) shares.*

United Overseas Bank, off 10 cents at S$55.20, topped actives with 2.1m shares traded.

Singapore **Bus** lost 6 cents to S$4.72, despite sharply higher results.

HONG KONG

Below the best because of late hedge selling by investors of Hang Seng index futures.

The Hang Seng index finished 15.62 up at 2,798.74 and the Hong Kong index was up *9.99* at 1,802.27.

Share prices opened little changed but soared after midday, following **Jardine Matheson's**, up 10 cents at HK$24.8, announcement of a bonus issue of four new "B" shares for every ordinary share. It also reported a 205 per cent jump in 1986 net *profits to HK$479m.*

Brokers noted heavy programmed selling by futures investors in the **Cheung Kong** group of firms. Cheung Kong lost 50 cents to HK$44, but associate **Hutchison Whampoa** maintained a *50 cents gain at HK$54.50.*

Hang Seng index futures ended mixed with March contracts rising 9 points to 2,799 but May falling 6 to 2,848.

AUSTRALIA

A late rally among Gold and bargain hunting on the Industrial boards overcame early selling pressure to push share markets to edge to their seventh consecutive record in active trading.

End-month booksquaring and a perception Golds are under*valued by international standards* aided the late recovery.

The All Ordinaries index was *0.5 points higher at 1,690.9, the* All Industrials off 1.1 at 2,595.0 and All Resources up 1.2 at 1,002.8. The Gold index finished 16.1 higher at 2,621.5 despite a slack performance on international bullion markets as international investors continued to buy gold stocks.

Turnovers were heavy, boosted *by active trading in CSR and* BHP Gold Mines rights, with 196.62m shares worth $A452.69m exchanged.

SWITZERLAND

Swiss domestic stocks steady to higher, with investors inspired by gains of German share prices and the dollar's apparent stability.

But the positive sentiment seen in the early hours partially faded away during the session as buying orders declined.

Engineering **Fischer** further improved Fr 70 to 1,820 on *reports that a group of investors* are trying to build up a substantial portion of the shares.

PARIS

French shares lower on profit-taking following four consecutive record high sessions. Falls led rises by 10-to-7.

Leading declines include **Bouygues** down to *Fr 1,370 following* criticism by the Bourse authorities over share-dealing practices. **Lesieur** dipped to Fr 1,850, **Avions Dassault** to Fr 1,260

NEW YORK — INDICES

DOW JONES	Mar. 27	Mar. 26	Mar. 25	Mar. 24	Mar. 23	1986/87 High	1986/87 Low	Since Comp. High	Since Comp. Low
◆Industrials	2335.80	2372.59	2363.49	2369.18	2363.78	2372.59 26/3/87	1502.29 22/1/86	2372.59 26/3/87	41.22 2/7/32
Home Bnds.	94.85	94.95	94.97	94.65	94.71	95.61 9/2/87	83.73 14/1/86	—	—
Transport	935.44	951.19	949.61	953.73	947.55	958.21 6/3/87	686.97 (9/1/86)	958.21 6/3/87	12.32 8/7/32
Utilities	217.07	219.71	220.06	221.35	221.56	227.83 22/1/87	169.47 22/1/86	227.83 22/1/87	10.5 8/4/32

◆Day's High 2386.65 (2399.57) Low 2326.99 (2359.58)

STANDARD AND POOR'S	Mar. 27	Mar. 26	Mar. 25	Mar. 24	Mar. 23	1986/87 High	1986/87 Low	Since Comp. High	Since Comp. Low
Composite	296.13	300.93	300.38	301.64	301.16	301.64 24/3/87	206.49 22/1/86	301.64 24/3/87	4.40 1/6/32
Industrials	340.36	346.01	345.02	346.50	345.82	346.50 24/3/87	224.48 22/1/86	346.50 24/3/87	3.62 21/6/32
Financials	30.61	31.17	31.28	31.35	31.45	31.61 6/3/87	25.19 22/1/86	31.51 6/3/87	8.64 1/10/74
N.Y.S.E. COMPOSITE	168.37	170.77	170.50	171.08	170.83	171.08 24/3/87	117.75 6/5/86	171.08 24/3/87	4.46 25/4/42
AMEX. MKT. VALUE	338.11	338.41	338.56	339.31	338.93	339.31 24/3/87	240.30 4/2/86	339.31 24/3/87	29.16 4 9/12/7
NASDAQ OTC COMP.	436.66	438.71	437.48	438.12	438.04	439.84 (20/3/87)	323.01 (9/1/86)	439.84 20/3/87	54.87 3/10/74

DIVIDEND YIELDS	Mar. 20	Mar. 13	Mar. 6	Feb. 27	year ago (approx)
Dow Industrial	2.86	2.96	2.95	3.01	3.65
	Mar. 18	Mar. 11	Mar. 4	Feb. 25	
S and P Industrial	2.50	2.53	2.55	2.60	3.08
S and P Ind P/E ratio	21.55	21.31	21.10	20.72	16.71

TRADING ACTIVITY Millions Volume †	Mar. 27	Mar. 26	Mar. 25
New York	184.40	196.04	171.34
Amex	14.94	14.91	15.22
O.T.C.	—	156.08	183.08

New York	Mar. 27	Mar. 26	Mar. 25
Issues Traded	1,973	1,974	1,954
Rises	454	799	689
Falls	1,125	744	855
Unchanged	394	431	410
New Highs	—	132	96
New Lows	—	7	6

CANADA

TORONTO	Mar. 27	Mar. 26	Mar. 25	Mar. 24	Mar. 23	1986/87 High	1986/87 Low
Metals & Minerals	2641.27	2635.0	2674.5	2666.2	2652.7	2674.5 (25/3/87)	1817.4 (3/6)
Composite	3805.3	3814.1	3828.5	3836.1	3842.1	3842.1 (23/3/87)	2754.0 (17/2/86)
MONTREAL Portfolio	1879.0	1905.2	1915.1	1918.5	1918.8	1918.8 (23/3/87)	1386.6 22/1/87

NEW YORK ACTIVE STOCKS

Friday	Stocks traded	Closing price	Change on day
Borg-Warner	2,731,400	44⅞	+3⅞
Cons Rail Cp	4,459,700	30¾	—
Standard Oil	2,915,800	70½	−⅛
Hanson Trust	2,291,100	13⅞	+⅛
Harnischf	2,001,300	17½	+½
Phillips Pet	1,905,500	16	+⅛
IBM	1,754,000	150¾	−3¾
I C Indus	1,745,100	31⅞	+1⅞
Nat Semicndctr	1,577,300	14⅞	−⅛
Sunsh Mine	1,576,700	6	+1

LONDON STOCK EXCHANGE

FOREIGN EXCHANGES

Dollar down despite help

THE DOLLAR lost ground in currency markets yesterday despite further intervention by central banks. Thursday's increased trade surplus for West Germany and yesterday's repeat performance by Japan cast further doubts on the ability of US exports to compete successfully with the dollar at its current level. As a result the US unit's bearish undertone was sufficient to outweigh the implications of further central bank intervention.

Previous attempts by central banks to influence exchange rates have only met with any real success when in line with market sentiment and recent efforts to stabilise the dollar when it still lacks any confidence, seemed doomed to have only a limited efect.

The dollar finished at its lowest closing level ever against the yen at Y147.65, having touched a trading low of Y147.35. This was well down from Friday's close of Y149.10. Against the D-Mark it fell to DM 1.8235 from DM 1.8275. Elsewhere it slipped to SFr 1.5195 from SFr 1.5265 and FFr 6.0675 compared with FFr 6.0825.

On Bank of England figures, the dollar's exchange rate index fell to 102.1 from 102.5.

Sterling also lost ground as the market reacted badly to the latest opinion poll which cast doubts on the Conservative party's ability to win outright the next general election. Its exchange rate index fell from 72.1 to 71.9. Against the dollar it eased to $1.6030 from $1.6060 and DM 2.9225 compared with DM 2.9350. Elsewhere it slipped to Y236.75 from Y239.50 and SFr 2.4350 from SFr 2.45. Against the French franc it slipped to FFr 9.7250 from FFr 9.77.

D-MARK—Trading range against the dollar in 1986-87 is 2.4710 to 1.7870. February average 1.8234. Exchange rate index 146.9 against 140.4 six months ago.

There was no intervention by the Bundesbank at yesterday's fixing in Frankfurt when the dollar was quoted at DM 1.8231 compared with DM 1.8308 on Thursday

The amount of central bank assistance given elsewhere appeared to have little effect and trading patterns were also influenced by proximity of the weekend and the end of the financial year. Intervention on a limited scale failed to have any psychological impact because the market retained a predominantly bearish undertone for the dollar.

JAPANESE YEN—Trading range against the dollar in 1986-87 is 202.70 to February average 153.28. Exchange rate index 216.3 against 217.7 six months ago.

Further intervention by the Bank of Japan failed to stop the dollar from falling further in Tokyo. The US unit finished at Y149.0 compared with Y149.45 in New York and Y149.40 in Tokyo on Thursday. Estimates varied as to the extent of the Banks' intervention but even the most conservative put it at over $500m.

At one point the dollar touched a low of Y148.80 and the treat of further central bank intervention was seen by most as unlikely to achieve anything but a delay in the dollar's decline.

£ IN NEW YORK

Mar 27	Latest	Previous Close
£ Spot	1.6050-1.6060	1.6010-1.6020
1 month	0.48-0.45 pm	0.48-0.47 pm
3 months	1.28-1.23 pm	1.28-1.25 pm
12 months	4.10-4.00 pm	4.10-4.00 pm

Forward premiums and discounts apply to the U.S. dollar.

POUND SPOT—FORWARD AGAINST THE POUND

Mar. 27	Day's spread	Close	One month	% p.a.	Three months	% p.a.
US	1.6005-1.6070	1.6025-1.6035	0.48-0.45 c pm	3.48	1.31-1.26 pm	3.21
Canada	2.0908-2.1015	2.0908-2.0937	0.55-0.46 c pm	2.90	1.51-1.35 pm	2.73
Neth'lands	3.29¼-3.30¼	3.29¼-3.30¼	1¼-1 c pm	4.09	3⅝-3¼ pm	4.16
Belgium	60.37-60.70	60.40-60.50	17-10 c pm	2.68	43-32 pm	2.48
Denmark	11.01-11.04¼	11.02¼-11.03¼	Par-¼ ore dis	−0.41	1¼-2 dis	−0.59
Ireland	1.0915-1.0990	1.0945-1.0955	0.25-0.40 p dis	−3.56	0.75-1.00 dis	−3.20
W. Germany	2.91¼-2.93¼	2.91½-2.92¼	1½-1⅜ pf pm	5.90	4¼-4 pm	5.65
Portugal	224.87-226.59	224.87-225.81	62-146 c dis	−5.54	251-370 dis	−5.51

FINANCIAL TIMES STOCK INDICES

	Mar. 27	Mar. 26	Mar. 25	Mar. 24	Mar. 23	Year ago	1986/87 High	1986/87 Low	Since Compilation High	Since Compilation Low
Government Secs	90.76	91.22	91.56	91.66	92.19	91.87	94.51 (18/4/86)	80.39 (20/1/86)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Interest	97.43	97.20	97.33	97.32	97.52	95.50	97.98 (19/3/87)	86.55 (23/1/86)	105.4 (28/11/47)	50.53 (3/1/75)
Ordinary ♥	1,620.6	1,614.9	1,623.0	1,625.2	1,611.5	1,390.0	1,625.2 (24/3/87)	1,094.3 (14/1/86)	1,625.2 (24/3/87)	49.4 (26/6/40)
Gold Mines	432.8	428.2	412.4	386.6	367.4	286.9	432.8 (27/3/87)	185.7 (18/7/86)	734.7 (15/2/83)	43.5 (26/10/71)
Ord. Div. Yield	3.63	3.65	3.64	3.63	3.64	3.90				
Earnings Yld.%(full)	8.31	8.37	8.34	8.33	8.41	9.34				
P/E Ratio (net) (*)	14.76	14.65	14.70	14.72	14.59	13.27				
SEAQ Bargains (5 pm)	50,538	55,725	57,282	61,385	57,177	—				
Equity Turnover (£m)	—	N/A	1,587.19	1,665.65	1,445.81	824.44				
Equity Bargains	—	N/A	71,695	70,209	68,020	42,981				
Shares Traded (ml)	—	N/A	683.0	633.7	593.7	376.9				

S.E. ACTIVITY

Indices	Mar. 26	Mar. 25
Gilt Edged Bargains	N/A	174.2
Equity Bargains	N/A	464.5
Equity Value	N/A	3,208.1
5-Day Average		
Gilt Edged Bargains	N/A	181.3
Equity Bargains	N/A	443.0
Equity Value	N/A	3,108.5

♥ Opening	10 a.m.	11 a.m.	Noon	1 p.m.	2 p.m.	3 p.m.	4 p.m.
—	1619.9	1620.6	1626.0	1630.2	1630.4	1629.7	1623.5

Day's High 1634.8. Day's Low 1615.4

Basis 100 Govt. Secs 15/10/26, Fixed Int. 1928, Ordinary 1/7/35, Gold Mines 12/9/55, SE Activity 1974, *Nil=14.22.

LONDON REPORT AND LATEST SHARE INDEX: TEL. 01-246 8026

Pharmaceuticals feature in strong equities

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Mar 9	Mar 19	Mar 20	Mar 30
Mar 23	Apr 2	Apr 3	Apr 13
Apr 6	Apr 23	Apr 24	May 5

* New time dealings may take place from 9.00 am two business days earlier.

The UK stock market celebrated the Japanese New (Fiscal) Year yesterday, surging to new peaks in early trading after the huge rise in Tokyo in its what was effectively first trading session of fiscal 1987-88. But London's gains were cut back before the close.

Tokyo's strength fostered London's belief that Japanese funds are poised to make fresh investment forays into the UK market as soon as their new accounting year opens. UK investors brushed off the latest opinion poll, which reaffirmed the success of the Liberal-SDP Alliance. Only Government bonds remained subdued, with the authorities announcing new £250m tranches of existing index-linked issues to replace stock taken out in Thursday's burst of speculation.

However, equities boiled over before the close, and the FT-SE 100 index, a net 10.8 up at 2,048.6, ended below its previous closing peak, as did the FT Ordinary index, up 5.7 at 1,620.6.

Business was brisk, but dealers admitted that the Japanese presence in London was subdued—the buyers were UK professionals hoping to see Japanese buying orders next week.

However, with oil stocks still strong on the favourable response to **British Petroleum's** $7.4bn Standard Oil buyout, and exporting stocks responding to this week's excellent UK trade figures, the stock market made good progress.

Gold shares, shrugging off Thursday's pause for breath, had another strong session which took the FT Gold Mines index to another new peak for the year.

There was strong demand for **Glaxo**, which has been a favourite with Japanese investors. Analysts at the Japanese investment houses predict that Glaxo's interim profits, due on April 14, will show a gain of 47 per cent—some London brokers predict an even larger advance. Also in pharmaceuteals, **Wellcome** moved up sharply again, although at least one major Japanese house recommends selling the shares.

Imperial Chemical Industries—"the most profitable chemical company in Europe"—according to Dr Banerji of Nomura Securities, were in demand. **Jaguar**, another of the market's favourite exporting groups, also strengthened.

The Government bond market had largely discounted the Gallup poll published in the UK morning press, showing the Liberal-Alliance Party in second place to the Thatcher Government. Switching out of the longer dates had mostly been completed, and early gains in the index-linked (IL) stocks began to fade at mid-session.

However the IL sector still looked steady at 3.30 pm, when the authorities announced the new IL taplets. Prices then turned down smartly, and the sector ended with net losses of ⅜, and the longs with falls of ⅝.

The taplets were not unexpected in view of the wave of buying on Thursday evening, and traders expect the sector to quieten down again. Turnover in Gilts was moderate yesterday.

Standard Chartered continued to dominate proceedings in the banking sector, rising afresh to touch 842 before closing 21 up and 60 higher on the week at 837p; speculators have supported the shares strongly on hopes that Lloyds will rebid for the group when its official ban is lifted on July 12, a year after its original hostile £1.3bn offer lapsed. The movement has also been accompanied by revived suggestions that Mr Robert Holmes à Court had acquired Mr Tan Sri Khoo Puat's 6.28 per cent stake prior to making a full-scale offer. **TSB**, meanwhile, moved up 1½ further to 86½p on a turnover of around 10m shares as operators continued to speculate that the bank would soon use its flotation cash proceeds for a major acquisition. Lloyds broker **Hogg Robinson**, at the same time, continued to be mentioned as a possible TSB target, and hardened a couple of pence more at 382p.

Breweries were left out of the general advance. Leading issues drifted off still further late and **Bass** settled 7 down at 928p, while **Guinness** eased 3 to 330p. Increased annual profits and news of an acquisition, to be financed partly by the issue of new shares, left **Boddington** 5 lower at 140p. **Greene King**, which is to close its Rayments Brewery at Furneux Pelham, Hants, in the autumn softened to 331p, but the cider-makers brought light relief to the sector. Renewed speculative support helped **H. P. Bulmer** rise 6 to 196p, while **Merrydown** gained 5 to 410p.

Leading Building issues attracted selective buying interest. **Blue Circle** were again favoured and rose 8 more to 811p, while **Redland** gained 9 to 487p reflecting reports of Japanese support. **Barratt Developments** picked up 4 at 187p, while **Alfred McAlpine** put on 15 to 555p, the latter on hopes of further construction contracts. **Raine Industries** continued firmly at 124p, up 2, while **Tilbury Group**, in which Raine holds a 23.2 per cent stake, improved 18 to 276p. **Helical Bar**, the subject of a newsletter recommendation earlier in the week, advanced 10 more to 890p over the five-day period. **British Dredging** put on 4 to 120p, while **Magnet and Southerns** firmed 8 to 344p, largely reflecting the efforts of a single buyer.

Among Chemicals, **Hickson International**, which revealed better-than-expected annual profits earlier in the week, firmed 4½ more to 598p. **ICI** rose ¼ to £13¾.

Leading Stores ended the week on a quietly firm note. **Dixons** led the recovery with a gain of 10 at 401p; yesterday the group acquired 2.45m Cyclops Corporation shares at $95 per share in a single block trade transaction thus increasing its holding in Cyclops to 83 per cent. Elsewhere, buying ahead of their respective preliminary statements on Monday and Tuesday left **Executex** 3 better at 171p and **Combined English** 4 to the good at 275p. **Blanchards**, however, fell 8 to 118p following the lower interim earnings.

GEC succumbed to nervous selling and dropped 7 to 212p with around 12m shares changing hands amid reports of serious technical faults with its Foxhunter radar systems on Tornado aircraft. **Thorn EMI**, meanwhile, responded to a Rowe and Pitman buy recommendation with a leap of 22 to 623p, after 631p. Elsewhere in Electricals, speculative gains of 22 and 35 respectively were seen in **UEI**, 395p, and **Britkat**, 180p, while **F. W. Thorpe** put on 16 at 356p and **Automated Security** rose 15½ at 266p. **Oxford Instruments** advanced 8 to 450p with the help of an investment recommendation, but **Wordplex** fell 16 to 150p as the Board stated they knew of no reason for the recent strong rise in the shares. **Scantronic** dropped 10 to 185p on profit-taking.

Engineers recorded several good features. **Braithwaite**, still reflecting expansion hopes, advanced strongly to close 64 higher at 387p. Speculative demand left **Thomas Robinson** 29 to the good at 432p, while **Simon** rose 10 to 368p and **Cronite** 6 more to 111p. **Davy Corporation** firmed 6 to 189p on Russian order hopes. Bid speculation persisted in **Laird Group**, which closed a few pence higher at 334p. **Molins** rallied 4 to 226p following comment on the preliminary figures, while demand persisted for **VSEL Construction** up 15 more at 398p. **G. M. Firth** were also noteworthy for a gain of 13 at 83p.

In the Food sector, **Cadbury Schweppes**, a long-standing takeover favourite following the purchase by General Cinemas of the US of a stake of around 8 per cent, firmed 4 to 254p helped by traded option activity. **Avana** settled 3 cheaper at 756p, after 765p, following publication of the formal rejection document relating to the Ranks Hovis McDougall bid for the company; **RHM** touched 329p prior to closing 3 cheaper at 324p after revealing a half-year profits forecast and proposed 25 per cent increase in interim dividend.

Pharmaceutical issues staged a useful revival, although the amount of turnover was relatively small. **Glaxo** (1.1m shares) advanced ⅝ to £15¼ while **Beecham** (2.3m shares) were also prominent at 575p, up 15. **Wellcome**, out of favour earlier in the week, rallied 14 to 448p in a volume of 3.8m shares. **Fisons**, however, eased 6 to 652p, unsettled by the proposal to place up to 18m new ordinary shares with investors, principally in Europe and the Far East. Elsewhere in the miscellaneous industrial sector, **Hanson Trust** edged up 4 to 167p following the announcement that Hanson Industries, the US arm of the company, is to sell PCR Inc, a specialty chemicals unit for $8.25m cash. News of the bid approach left **Stonehill Holdings** 20 to the good at 108p, while other furniture issues to improve in sympathy was **Stag**, 3 firmer at 116p. Press comment stimulated demand for **Delaney** which advanced 10 to 85p. **Christies International**, scheduled to reveal preliminary figures next Tuesday, advanced 12 to 405p. Still reflecting the good results, **Wm Baird** rose 13 more to 583p, while comment on the annual figures prompted a gain of 2 to 169½p in **Smith and Nephew**. **Williams Holdings** gained 11 to 763p, with **Norcros** improving a shade to 430p in sympathy. **Reuters**, helped by a Kleinwort Grievson Securities recommendation, moved ahead strongly to close 21 higher at 729p, while a broker's recommendation also helped **Consultant Computer**, which moved up 24 to 290p. Interest revived in **Blue Arrow**, 35 to the good at 686p, but cautious comment prompted profit-taking in **Pacific Sales** which reacted 3 to 186p. **Tranwood** encountered a burst of speculative activity and closed 8½ to the good at 52p, after 57p.

Buyers returned for Television issues as recent profit-taking abated. **Central TV**, down 60 on Thursday following the annual results, recovered 30 to 620p, while **Yorkshire** picked up 22 at 368p. **TV-am** rose 17 to 390p, while **LWT** firmed 10 to 878p.

Jaguar emerged from a lean spell as domestic investors became more enthusiastic and the close was 12 higher at 598p. Motor Components stocks also enjoyed busier trading with **Lucas Industries** rebounding from Thursday's depressed level on the interim statement to end at 587p, up 16. **Dowty** gained 9 to 285p and **Kwik-Fit** further to 165p, the latter still on bid hopes. **Caffyns** were one of two features in Distributors, rising 27 more to 415p amid continuing speculation of an impending takeover. **William Jacks** were the other, being raised to a basis price of 65p compared with the previous 43p.

The Newspaper and Publishing sector enjoyed a further re-rating following **United Newspaper's** recent results. **United** bounced back after Thursday's dividend disappointment, closing 15 dearer at 505p. **Associated**, which now holds a 10 per cent shareholding in Australia's Northern Star, advanced 15 to 520p and **William Collins** spurted 15 further to 645p. In contrast, **Associated Book** fell 12 to 276p. Among Paper/Printings, **David S. Smith** picked up 22 at 305p, and revived speculative demand lifted **Olives Paper Mill** 11 to 95p. **Crown TV Products** fell 5 to 70p; Greenstar Leisure and Enterprise Television have rejected the Orion Royal Bank offer to purchase the 22 per cent stake in Crown TV.

Demand persisted for the Property leaders. **MEPC** moved up 7 to 395p, while **Land Securities** hardened a couple of pence to 411p. Among secondary issues, **Belgrave Holdings**, up 28 on Thursday on news that Naaz Investments had unconditionally acquired International Securities' 29.9 per cent stake in the company, touched 203p prior to closing 8 higher on balance at 186p as the resolution put forward at the EGM to approve the disposal of the company's London Hotels for some £11m was defeated: Naaz Investments is a company controlled by Mr. Nurdin Jivray who recently agreed to sell London Park Hotels to the Mount Charlotte Group. **Speyhawk**, 10 up at 480p, continued to reflect expansion hopes in the wake of the £26m rights issue, while **Wates City of London** firmed 7 to 178p following a Press mention.

Shippings provided a small late feature. **Common Bros** encountering speculative demand and rising 6½ to 25p, after 26p.

Quality Textile issues closed the week on a high note. **Courtaulds** made fresh progress to 442p, just short of the best-ever level, while **Allied** advanced 8 to 320p. **John Crowther**, anther strong performer since comment last weekend on carpet manufacturers' prospects, rose 9 more for a five-day gain of 30 to 222p. **Hugh Mackay** jumped 20 further to 195p on an investment recommendation, and **Corah** added 3½ at 82p. **Munton Bros** spoiled the overall cheerful scene, crashing to 10p following the deterioration in first-half trading, before steadying to end a net 6 down at 14p.

Still reflecting a highly complimentary press on last year's trading performance, **BAT Industries** moved up 7 more to 548p. UK institutional investors were again active in the stock, although not on the previous session's scale.

British and Commonwealth were flavour of the month for Financial Trust investors. Fresh demand soon had marketmakers scurrying to cover short book commitments and the price surged 35 more to 470p. The group's expansion potential is the main attraction for devotees of chief-executive Mr John Gunn. Associate, **Caledonia Investments**, rose similarly to close 32 up at 390p. Awaiting news of the talks with a third party, **Asset Trust** advanced 5 further to 105p but profit-taking brought **Argyle Trust** back 15 more to 168p and **Nevi Baltic** 6 to 182p. **Mercantile House** featured late, rising 22 to 355p.

The Oil majors continued to trade firmly in the wake of BP's proposed tender offer for the outstanding 45 per cent of Sohio. **British Petroleum** boosted afresh domestic and overseas buying, rose 18 to 938p, a two-day rise of 47. **Shell** were up ⅛ at £12⅝. **Britoil** rose 10 to 245p and **Enterprise** put on 7 to 278p, while **LASMO** firmed 5 to 263p.

A spirited revival in **Lonrho** owed much to group's gold and other mining interests. Volume expanded to 6.3m shares and the price rose to a 1986-87 peak of 286p, closing 10 up on the day.

South African and Australian mining shares returned to the centre of the investment stage yesterday, backed by strong gains in bullion, platinum and silver prices.

In the South Africans, prices quickly recovered the ground lost in Thursday's shakeout, and moved upwards to close at the best levels of the present cycle.

The FT Gold Mines index added 4.6 to reach a new 1986-87 peak of 432.8.

The strength of South Africans in no way held back the Australian mining sector, which also took its cue from the surge in precious metal prices. Broken Hill Pty were a very firm market following the profits statement.

Traded options

The quietest day of the week in the Traded Option market saw 42,345 deals done, comprising 31,586 calls and 10,759 puts. Reflecting growing belief that the bank could be on the verge of its first major acquisition since its successful flotation last year, TSB call positions were active with 4,073 struck by the close.

Traditional Options

- First dealings March 16
- Last dealings March 27
- Last declaration June 25
- For Settlement July 6

For rate indications see end of Unit Trust Service

Call options were taken out in **Eagle Trust, Property Trust, Brent Walker, Atlantic Resources, Spong, Mountleigh, First National Finance, Norfolk Capital, Oxford Instruments, Ellis and Goldstein, Peek Holdings, Tranwood, J. E. England, Friendly Hotels, Hanson Trust, Belhaven, Willaire, British Benzol, British and Commonwealth, Black's Leisure, St Medwen, Abace, TSB, Amstrad, Astra Industrial, Bejamin Priest, Wheway, Ladies Pride, North Kalgurli, Lister, Tricentrol** and **Associated British Engineering**. A put was arranged in **Tranwood**, while double options were transacted in **Amstrad** and **Wingate**.

LONDON TRADED OPTIONS

Option		Calls Apr.	Calls Jly.	Calls Oct.	Puts Apr.	Puts July	Puts Oct.
Allied Lyons (*401)	330	75	85	93	1	2½	5
	360	45	58	70	1½	8	15
	390	21	37	48	7	18	23
	420	8	18	28	25	32	37

Option		Calls May	Calls Aug.	Calls Nov.	Puts May	Puts Aug.	Puts Nov.
Guinness (*330)	280	55	68	83	3	10	12
	300	43	58	70	10	18	25
	330	25	40	52	23	30	32
	360	10	25	—	38	42	—

Total Contracts 42,345. Calls 31,586. Puts 10,759 FT-SE Index Calls 835 Puts 2,099 *Underlying security price.

NEW HIGHS AND LOWS FOR 1986-87

NEW HIGHS (250)

BRITISH FUNDS (1), AMERICANS (3), CANADIANS (3), BANKS (5), BREWERS (1), BUILDINGS (18), CHEMICALS (7), STORES (5), ELECTRICALS (20), ENGINEERING (15), FOODS (7), HOTELS (1), INDUSTRIALS (40), INSURANCE (1), LEISURE (4), MOTORS (4), NEWSPAPERS (6), PAPER (11), PROPERTY (21), SOUTH AFRICANS (1), TEXTILES (5), TRUSTS (33), OILS (5), MINES (32), THIRD MARKET (3).

NEW LOWS (2)

AMERICANS (1), Manufac. Hanover, INDUSTRIALS (1), Brit. Bloodstock.

EXCHANGE CROSS RATES

Mar. 27	£	$	DM	YEN	F Fr.	S Fr.	H Fl.	Lira	C $	B Fr.
F Fr.	1.028	1.648	3.005	243.4	10	2.504	3.396	2140.	2.151	62.16
S Fr.	0.411	0.658	1.200	97.23	3.994	1.	1.356	854.8	0.859	24.83
H Fl.	0.303	0.485	0.885	71.69	2.945	0.737	1.	630.3	0.634	18.30
Lira	0.480	0.770	1.404	113.7	4.672	1.170	1.587	1000.	1.005	29.04
C $	0.478	0.766	1.397	113.2	4.648	1.164	1.578	994.9	1.	28.89
B Fr.	1.654	2.652	4.835	391.6	16.09	4.028	5.463	3443.	3.461	100.

Yen per 1,000: French Fr per 10: Lira per 1,000: Belgian Fr per 100.

OTHER CURRENCIES

	£	$
Luxembourg	60.40-60.50	37.65-37.75
Malaysia	4.0320-4.0420	2.5160-2.5180
Mexico	1769.00-1786.15	1103.00-1113.00
N. Zealand	2.8320-2.8595	1.7675-1.7710
Saudi Ar	6.0130-6.0185	3.7500-3.7510
Singapore	3.4240-3.4330	2.1370-2.1390
S. Af. (Cm)	3.2880-3.3045	2.0365-2.0410
S. Af. (Fn)	4.7115-4.9000	2.9630-3.0535
Taiwan	54.80-55.05	34.25-34.35
U.A.E.	5.8890-5.8940	3.6725-3.6735

*Selling rate.

MONEY MARKETS

UK rates slightly firmer

INTEREST RATES were a little higher in London yesterday as confidence took a bit of a knock ahead of the weekend. Thursday's better-than-expected trade figures were offset by a weaker trend in sterling caused mainly by the market's increasing sensitivity to opinion polls on the next general election. The latest poll suggested that the Alliance parties were ahead of the Labour Party and cast further doubt on whether the Conservative Party would achieve a workable majority. Some dealers suggested that this was tantamount to needless speculation since even the timing of an election was still open to debate.

UK clearing bank base lending rate 10 per cent since March 18-19

Three-month interbank money rose to 9 13/16-9 11/16 per cent from 9¾-9⅝ per cent. Weekend money opened at 10¼-10 per cent and rose to a high of 10½ per cent before slipping away to a low of 7 per cent. Rates fluctuated during the afternoon before finishing around 9 per cent.

The Bank of England forecast a shortage of around £700m with factors affecting the market including the repayment of late assistance and bills maturing in official hands together with a take up of Treasury bills draining £501m. There was also a rise in the note circulation of £285m and banks brought forward balances £45m below target. These were partly offset by Exchequer transactions which added £120m.

The forecast was revised to a shortage of around £750m and the Bank gave assistance in the morning of £265m through outright purchases of £119m of eligible bank bills in band 1 at 9⅞ per cent, £144m in band 2 at 9 13/16 per cent and £2m in band 3 at 9¾ per cent.

Once again the forecast was revised, this time to a shortage of around £850m, before taking into account the early help and the Bank gave additional assistance of £663m through outright purchases of £1m of Treasury bills, £4m of local authority bills and £267m of eligible bank bills all at 9⅞ per cent and in band 2 £13m of Treasury bills and £378m of eligible bank bills at 9 13/16 per cent. Total help came to £928m.

At the weekly Treasury bill tender, the £100m of bills on offer attracted bids of £372m compared with £544m for the same amount the previous week. The average rate of discount was higher at 9.3157 per cent compared with 9.1104 per cent. The minimum accepted bid was £97.67 which was met as to about 27 per cent and above in full against £97.725 at 70 per cent the week before. All bills on offer were allotted. Next week a further £100m will be on offer, replacing a similar amount of maturities.

FT LONDON INTERBANK FIXING

(11.00 a.m. Mar. 27) 3 months U.S. dollars		6 months U.S. dollars	
bid 6 3/8	offer 6 1/2	bid 6 3/8	offer 6 1/2

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11.00 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

Mar. 27	Overnight	One Month	Two Months	Three Months	Six Months	Lombard Intervention
Frankfurt	3.50-3.60	3.85-3.95	3.85-4.00	3.85-4.00	3.90-4.05	5.0
Paris	7¾-7 13/16	7 13/16-7 15/16	7¾-7⅞	7¾-7⅞	7 13/16-7 15/16	7¾
Zurich	6⅞-7¼	3 15/16-4 1/16	—	3 7/16-3 9/16	—	—
Amsterdam	5⅜-5½	5 7/16-5⅝	—	5 7/16-5 9/16	—	—
Tokyo	3.84375	3.96875	—	4.03125	—	—
Milan	10⅝-11¼	10⅛-10⅝	—	10⅛-10⅝	—	—
Brussels	7.50	7 7/16-7 9/16	—	7 7/16-7 9/16	—	—
Dublin	13⅝-13⅞	13⅞-14⅛	13½-13⅞	13⅛-13⅜	12-12¼	—

LONDON MONEY RATES

Mar. 27	Over-night	7 days notice	Month	Three Months	Six Months	One Year
Interbank	10½-7	10 1/16-9 13/16	10-9⅞	9 13/16-9 11/16	9⅝-9½	9 9/16-9 7/16
Sterling CDs	—	—	9 13/16-9 11/16	9 11/16-9 9/16	9 11/16-9 9/16	9 9/16-9¼
Local Authority Deposits	10¼	10¼	9⅞	9¾	9⅝-9½	9½
Local Authority Bonds	—	—	10	9¾	9½	9½
Discount M'ket Deposits	10-7	9⅞	9¾	9¾	—	—
Company Deposits	10⅛	10⅛	10	9 13/16	9⅝	9 9/16
Finance House Deposits	—	—	9⅞	9¾	9½	9 7/16
Treasury Bills (Buy)	—	—	9¾	9⅞	—	—
Bank Bills (Buy)	—	—	9 13/16	9½	9⅛	—
Fine Trade Bills (Buy)	—	—	10⅞	10⅛	9¼	—
Dollar CDs	—	—	6.45-6.40	6.40-6.35	6.40-6.35	6.50-6.45
SDR Linked Deposits	—	—	6⅛-5⅞	6⅛-5⅞	6⅛-5⅞	6⅛-5⅞
ECU Linked Deposits	—	—	7-6⅞	7-6⅞	7-6⅞	7⅛-7

Treasury Bills (sell): one-month 9⅝ per cent; three-months 9 7/16 per cent; Bank Bills (sell): one-month 9 13/16 per cent; three months 9⅛ per cent; Treasury Bills; Average tender rate of discount 9.3157 p.c. ECGD Fixed Finance Scheme IV reference date January 31 to February 27 (inclusive): 10.896 per cent. Local Authority and Finance Houses seven days' notice, others seven days' fixed. Finance Houses Base Rate 11 per cent from March 1, 1987: Bank Deposit Rates for sums at seven days' notice 5 per cent. Certificates of Tax Deposit (Series 6): Deposit £100,000 and over held under one month 8 per cent; one-three months 8 per cent; three-six months 8½ per cent, six-nine months 8½ per cent; nine-12 months 8½ per cent; Under £100,000 8 per cent from March 18. Deposits held under Series 5 10¼ per cent. Deposits withdrawn for cash 5 per cent.

مكتبة الأهرام

هكذا من الأصل

LONDON STOCK EXCHANGE

DEALINGS

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

Details relate to those securities not included in the FT Share Information Services.

Details otherwise indicated denominations are 25p and prices are in pence. The prices are those at which the business was done in the 24 hours up to 1.30 pm on Thursday and settled through the Stock Exchange Talisman system, they are not in order of execution but in ascending order which denotes the day's highest and lowest dealing prices.

For those securities in which no business was recorded in Thursday's Official List the latest recorded business in the four previous days is given with the relevant date.

‡ Bargains at special prices. ⊕ Bargains done the previous day. △ Bargains done with non-member or executed in overseas markets.

CORPORATION & COUNTY

London 2½pc 1920 £24 (24/3)
Greater London 6¼pc 1990-92 £90½ 1
Birmingham 3½pc 1946 £28⊕
Blackburn 4pcDb £35 (25/3)
Bristol 11½pc 2008 £113¼ (25/3)
Newcastle-Upon-Tyne 11½pc 2017 £114½ (24/3)
Salford 5½pc 1986-88 £94
Southwark 12¼pc 1987 £100¼ (25/3)
Sunderland 3pcDbAns £23 (20/3)

UK PUBLIC BOARDS

Agricultural Mort 4½pcDb 1961-91 £81¼. 5½pcDb 1993-95 £77 (24/3). 6¼pcDb 1992-94 £84 (24/3). 6¾pcDb 1985-90 £91¼ (25/3). 7½pcDb 1991-93 £91¼. 9¼pcDb 1985-87 £99¾
Clyde Port Authy 3pc £26⊕
Great Ouse Water 5¼pc 1986-88 £94¼ (25/3)
Metropolitan Water 3pcA 1963-2003 £42 (25/3). E.Ldn 3pcDb £42 (25/3). Sthwk Vxhl 3pcDb £42 (25/3)
Port of London 6½pc 1987-90 £89⊕

FOREIGN STOCKS
(coupons payable in London)

China (Rep) 5pc 1925 ($100) £14
Hungary (Rep) 7½pcBds £60 (23/3)
Spain (Govt) 4pc £41 (23/3)
Aegon 11¾pcBds 1991 $100 12 (20/3)
ASDA-MFI 4¾pcBds 2002 £101.52 (24/3)
Australian Ind 8¾pcBds 1996 $101⅟₁₆ (20/3)
BET 6¾pcBds 2001 £115¾⊕ ¼⊕ 9.56⊕
BTR 4¼pcBds EC112¼⊕
Burton Group 4¾pcBds 2001 £110½ 1 (23/3)
Cadbury Schweppes 7pcBds 2000 $199½⊕
Dow Chemical Nts £40¼ ¼ (20/3)
Finland (Rep) 11¾pc 1988 £103 ⅟₁₆ (20/3)
Fisons Intnl 10¼pc 1987 £100⊕
Grand Metropolitan 7½pcBds 1980-87 £97½ (23/3)
Hanson Trust 10pc 2006 £99½ (20/3)
ICI Finance (Neth) 8½pcBds 1999 £160 (20/3)
Imperial Chem Inds 10pcBds 2003 £103¾⊕
Kalima Wts $700 (20/3)
Legal Genl Ass 7⅝pcBds 1988 $98½ 9½ (23/3)
Lucas Inds 5½pcBds 2001 £134.17 .32 (24/3)
New Zealand (Gov) 10⅞pc 1989 £102¼ (23/3)
Next 6¼pcBds 2002 £118¼ (23/3)
Orient Leasing 13pcBds 1989 $112
Pearson 5¼pcBds 2001 $125½ (24/3)
Redland 7¼pcBds 2002 £102⊕
Reed Intnl 11¾pcBds 1994 £105 (23/3)
Rothmans 8¼pcBds 1992 DM148.082 149.642 151.826 (24/3)
Smith Nephew Assoc 5½pcBds 2000 $149.99 (24/3)
Smith (W. H.) Son 7½pcBds 2002 £106½ (24/3)
Tokyo Electric Power 4⅞pc 1992 Y101⅞⊕
Trafalgar House 10⅝pcBds 2006 £102½ (23/3)
Tricentral 11pcBds 1992 £79 ½ (23/3)

STERLING ISSUES BY OVERSEAS BORROWERS

American Medical Intl 9¾pcLn 2011 £86½
Asian Devlpmt Bk 10¼pcLn 2009 £106¾
Australia (Com) 9½pcLn 2012 £96¾ ⅞ 7 7 ½ ⅝ ¾ ⅞ ½ ¾ ⅞ 8. 11½pcLn 2015 £114½
Bk Greece 10¾pcLn 2010 £100 ½ (24/3)
Caisse Centrale De Cooperation Econ 12¼pcLn 2013 £123¼ 4 ⅜ ½ ¾
Caisse Nationale Des Autoroutes 16pcLn 2006 £153¼⊕ ½⊕
Cigna Overseas Fin 13pcLn 2008 £123½⊕
Credit Foncier De France 10¼pcLn 2011. 12.13 14 £105¼ ½ ⅝ ⅞ 6 ¼ ⅜. 14¼pc Ln 2007 £142½
Credit National 13½pc 1993 £121 (20/3)
Denmark (Kingdom of) 13pcLn 2005 £123½ ¾ 4
Eaton Finance 12½pcLn 2014 £121⅛ (23/3)
Electricite de France 12½pcLn 2008 £124¾ ⅞. 11¾pcLn 2009/12 £118¾ 9¼ ½
European Inv Bk 9pcLn 2001 £96½ ¼ ⅛ ⅜ ½ ⅝ ¾ ⅞ 7 7 ⅛ 1. 10¾pcLn 2004 £108⅝⊕. 11pcLn 2002 £112½ ¾
Finland (Rep) 11½pcLn 2009 £114¾ ½
Hydro-Quebec 12.75pcLn 2015 £125⅝. 15pcLn 2011 £142¾ 3¼
Iceland (Republic of) 14⅝pcLn 2016 £135 ½
Inco 15¾pcLn 2006 $ Rep Opt £136½
Inter-American Dvlpmnt Bk 9¾pcLn 2015 £101¾ ½ ¾ 2
Intnl Bank for Rec Dev 9½pcLn 2010 £100¾ ½. 11.5pcLn 2003 £116¼ 7 ½
Ireland 12½pcLn 2008 £117¼ ½ 8
New Zealand 11½pc 2014 £116¼⊕
Nova Scotia (Province of) 11¼pcLn 2019 £117⅛⊕. 16¼pcLn 2011 £157¾ ⅜ 8½
Petroleos Mexicanos 14½pcLn 2006 £78½ 9 ¼
Portugal (Rep of) 9pcLn 2016 £85¾ ½ ½ ⅞ ¾ ⅜ 3
Province de Quebec 12¼pcLn 2020 £121¼ ⅞
Spain (Kingdom of) 11¾pcLn 2010 £115¼ 6 ⅛ ¼
Sweden (Kingdom of) 9¾pcLn 2014 £99¾ ¼. 13.5pcLn 2010 £132¾ ⅛ ⅞ 3
Trinidad Tobago (Rep of) 12¼pcLn 2009 £101 2
United Mexican States 16½pcLn 2008 £104

BANKS, DISCOUNTS

Bank of Ireland (Governor) 7pcLn 1986-1991 £80 1 (25/3)
Bank of Wales 13¾pcLn 1993-97 £111½ (25/3)
Barclays Bank 7¾pcLn 1986-91 £91. 8¼pc Ln 1986-93 £85½ ¼ 6 ¼. 12pcLn 2010 £121½⊕. 16pcLn 2002-07 £150½ ¾
Barclays 5¼pc1stPf (£1) 80 (24/3). 6pc 1stPf (£1) 113 (24/3)
Commercial Bank of Near East (£5) £10 (24/3)
Commerzbank Ag (DM10) £17¼ (24/3)
Hill Samuel Go 8pcLn 1989-94 £90 (24/3)
Lombard North Central 5pc2ndPf (£1) 46
Mercury Intnl Gp 7½pcPf (£1) 101 2½
Midland Bank 7¼pcLn 1983-93 £91½. 10¼pcLn 1993-98 £108. 14pcLn 2002-2007 £134¾ (25/3)
National Westminster Bank 7pcPf (£1) 65 7 8. 9pcLn 1993 £98¼ 100¼. 12½pc Ln 2004 £122⅜ 7 ⅞ ⅛
Rea Bros Go 8.6pcPf (£1) 118 (24/3)
Royal Bank of Scotland Gp 5½pcPf (£1) 54 [illegible]. 11pcPf (£1) 100 (25/3)
Scandinavian Bank Gp New Units 287 7 8 8 9 70 2 3
Smith St Aubyn (Hldgs) 9¼pc2ndPf (£1) 117½ (24/3)
Standard Chartered 12⅝pcLn 2002-07 £118¼ 9 ½

BREWERIES

Allied-Lyons 5½pcPf (£1) 54 (24/3). 7½pc Pf (£1) 73. 3pcDb 1985-90 £74 (24/3). 6¼pcDb 1984-89 £91. 6¼pcDb 1987-92 £85 (24/3). 6¾pcDb 1988-93 £85 (24/3). 7pcDb 1982-87 £98 (24/3). 7¼pcDb 1988-93 £87½ (25/3). 11¼pc Db 2009 £122⊕. 5¼pcLn £54½ (24/3). 7¼pcLn £75 ¼ (24/3). 7½pcLn 1993-1998 £85 7 ½
Bass 4pcPf (£1) 38. 7pcPf (£1) 64. 3½pcDb 1987-92 £77½ (20/3). 8¼pc Db 1987-92 £94. 8.65pcDb 1987-89 £93½ (20/3). 4½pcLn 1992-97 £73⊕. 7½pcLn 1992-97 £87⊕
Bass Invests 7½pcLn 1992-97 £83¼ 4
Boddington Go 9½pcLn 2000-05 £100
Bulmer (H. P.) Hldgs 9¼pcPf (£1) 117. 8¼pc2ndPf (£1) 117½⊕
Courage Gp 4½pcDb 1982-87 £90 (20/3). 6¼pc2ndDb 1984-89 £95¼. 7¼pc2ndDb 1987-92 £92 (24/3). 8pc2ndDb 1985-90 £96 (24/3). 6¾pcLn 2004-09 1994 £89½ (20/3). 10½pcLn 1990-95 £104 £75 (25/3)
Fuller Smith Turner 7¼pc1stDb 1983-88 £90 (20/3)
Greenall Whitley A (5p) 75 (23/3). 8pcPf (£1) 103 2. 7¼pcDb 1987-92 £91½ (24/3). 8¼pcLn £77½ (24/3)
Hardys Hansons 657⊕
Heavitree Brewery 11¼pcPf (£1) 125 (24/3)
Higsons Brewery 6½pcLn 2000-05 £60½ (24/3)
Home Brewery 5½pcPf (£1) 48 (24/3)
Macallan-Glenlivet 6¼pcLn 2005 £115 (25/3)
Mansfield Brewery (£1) 395
Marston Thompson Evershed 4¼pcDb 1992 £76 (24/3)
Scottish Newcastle Breweries 5½pcPf (£1) 51 (24/3). 7pcPf (£1) 153½ 4 ½ (23/3). 6¾pc1st 1stDb 1984-89 £91⅞ (23/3). 7¼pc1stDb Db 1985-90 £89½ (23/3). 7¼pc1stDb 1989-94 £85 (24/3)
Seagram Distillers 12⅞pcDb 2012 £122⅛ ½ (24/3)
Truman 10¼pcDb 1991-96 £97 (24/3). 6½pc
Vaux 4½pc A Pf (£1) 42 (24/3). 6½pc A Pf (£1) 61½ (24/3). 11¼pc 6¼pcDb 1987-90 £93 (24/3/87). 11¼pc Db 2010 £115½ (20/3)
Watney Mann Truman Hldgs 3½pcDb £57 (24/3). 4¼pcDb 1988-93 £73 (23/3). 6pcDb 1989-94 £78 (25/3). 7pcDb 1988-93 £91¼ (25/3). 7¼pcDb 1987-97 £88 (24/3). 10¼pcDb 1990-1995 £102 (25/3). 12¼pcDb 2008 £121¾ 2 ⅛ (20/3). 5¼pcLn £47 (25/3). 7¼pcLn £68. 8¼pcLn 1990-95 £91. 4½pc2nd
Whitbread B (25p) 353 (24/3). 4½pc2nd Pf (£1) 42. 5½pc3rdPf (£1) 50 1½. 6pc3rdPf (£1) 54. 7pc3rdPf (£1) 64. 6¼pcDb 1984-87 £99 (25/3). 6¾pcDb 1987-92 £85 (20/3). 7pcDb 1988-93 £90⅛⊕. 7¼pcDb 1989-94 £88 9 (25/3). 7¾pcLn 1995-99 £81¼. 7¾pcLn 1986-91 £91½. 7¾pcLn 1996-2000 £85½. 10½pc Ln 2000-05 £102⊕. 5¼pcLn £46 (20/3)
Whitbread Invest 320 (25/3). 7-12pc 2ndDb 2010 £106 (24/3)
Young Brewery 4.2pcPf 55 (25/3). 9pc Pf (£1) 118 (25/3)

COMMERCIAL, INDUSTRIAL

A—B

AAH Hldgs 4.2pcPf (£1) 52
AE 8pcLn 1989-94 £86⊕
AMEC 15pcLn 1992 £112 4
APV-Baker 10¼pcLn 1997-2002 £450 (24/3)
Applied Computing New (5p) 178
Acrow 8pcLn 1973-78 (2nd Ser) £96 (24/3)
A— Streamline 10pcPf (£1) 116½ (23/3)
Alpine (20p) 69⊕
Alcan Aluminium $37⅛⊕ 37⅜⊕
Allebone 7pcLn 1994-99 £65⊕
Allen (Edgar) Balfour 7¾pcDb 1987-92 £85 (24/3)
Allied Textile Companies 10pcLn 1993 £248⊕
Amari 8pcPf (£1) 118
Amber Day Hldgs 10½pcPf 1999-2002 (£1) 178 9 ½ (23/3)
Anchor Chemical 6pcPf (50p) 29 (24/3)
Anglo Nordic Hldgs 10pcLn 1989-92 £97 (25/3)
Arcolectric (Hldgs) (5p) 55 (25/3)
Argyll Wts to sub 296 300 .1
Arlen 11¼pcLn 1990 £106⊕
Armitage Shanks 10pcLn 1989-94 £97
ASDA-MFI [illegible]
Asprey 9¼pcPf (£1) 125 (24/3)
Associated British Engineering 4.9pcPf (£1) 51 (24/3)
Associated British Foods 5¼pcLn 1987-2002 (50p) 30 1. 7½pcLn 1987-2002 (50p) 40 1
Associated Electrical Industs 6¼pcDb 1986-91 £91½ (23/3)
Associated Fisheries 8¼pcLn 1991-96 £90 (24/3)
Associated Leisure 7½pcLn 1989-94 £85 (23/3)
Astra Hldgs (5p) 36½ ½ 7 ½ 8
Audio Fidelity (10p) 113 5
Automated Security (Hldgs) 5pcPf (£1) 149 9 50 1. 8pcLn 1990-95 £405
Automotive Products 4[illegible] 56. 9pcPf (£1) 118¼. 10.4pcDb 1996-2001 £106 (25/3)
Ayrshire Metal Products 67 8
BET 5pcDb £42 (24/3)
BICC 6pc1stPf (£1) 52 (20/3). 5½pc2nd Pf (£1) 51. 7pcDb 1985-90 £92¼ 3. 7¼pcDb 1990-95 £89 (24/3)
BOC 4.55pcPf (£1) 56 60. 2.8pc2ndPf (£1) 33 (24/3). 3.5pc2ndPf (£1) 45. 12¼pcLn 2012-17 [illegible]
BPB Industs 10¼pcDb 1997-2002 £99¼ (24/3)
BSG Intnl 8¼pc1stDb 1993-98 £91 (25/3). 12½pcLn 1993-98 £108
BSR Intnl 5½pcLn 1985-90 £85⊕
Baker Intnl ($1) £10.8⊕
Barbour Index 372 3 7 8 80
Bardsey Wts to sub 12
Barlow Rand 2f (R0.10) 400 (24/3)
Barlows (£1) 530⊕
Barr Wallace Arnold Tst 300 5 (24/3)
Barrow Hepburn 7.75pcPf (£1) 88 (24/3)
Bassett Foods 7½pcPf (£1) 88½ (24/3)
Batleys 10pcPf (£1) 110
Beazer (C.H.) (Hldgs) 8½pcLn 2000 £193⊕ 6⊕ 8⊕ 8⊕ 200⊕
Benlox Hldgs 8pcPf (£1) 210
Benson SBG (10p) 34⊕ 5⊕ 7⊕
Berisford (S. W.) 5pcPf (£1) 57. 7½pc Pf (£1) 72
Birmid Qualcast 7½pcLn 1987-92 £85½ 7 (24/3)
Blackett Hutton Hldgs 5½pcPf (£1) 41 (20/3)
Blackwood Hodge 6pcPf (£1) 52½. 9pcLn 1985-90 £95½
Blue Circle Ind 5¾pc2ndDb 1984-2009 £59 63½. 6pcDb 1988-93 £64½ (25/3). 7pcDb 1988-93 £87½. 9pcDb 1992-97 £97½. 10¼pcDb 1994-99 £105 6 (25/3). 6¼pcLn [illegible] £57
Boeing Com ($5) $53.04045⊕
Bogod-Pelepah (10p) 35⊕
Boots 7¼pcLn 1988-93 £88 92½ (25/3)
Bowater Inds 4.35pcPf (£1) 58
Braime (T. F. & J. H.) (Hldgs) ANV 70½ (25/3)
Bramall (C. D.) 13pcLn 1993-03 £128 (25/3)
Brettle (George) 9¾pcLn 1987-92 £85 (20/3)
Bridon 8pcDb 1988-93 £93½ (23/3). 10¼pcDb 1991-96 £102 (25/3). 7¾pcLn 2002-07 £71 (24/3)
Bristol Stadium (5p) 242
British Airways (65p3/4/87) 124 5 5 ½ 6 6 7 7.1 8 8.1 ½ 9 9.1 ½ 30 30 1
British Alcan Alum 10⅝pcDb 2011 £104¼ ½ (24/3)
British-American Tobacco 5pcPf (£1) 45. 6pc2ndPf (£1) 55 6
British Amer Tobacco Inv 10pcLn 1990-95 £98 (24/3). 10½pcLn 1990-95 £103⅛
British Benzol 13pcLn 1995 £560
British Home Stores 5¼pcDb 1989-94 £77
British Mohair Hldgs 6pcPf (1995) (£1) 79 (20/3)
British Printing & Comm Corp 6.5pcPf (£1) 89½ (24/3). 7.75pcPf (£1) 98⊕
British Shoe Corp Hldgs 6½pcPf (£1) 53 (24/3). 5¼pc2ndPf (£1) 45 (24/3). 6½pc3rdPf (£1) 63⊕. 7pcLn 1985-90 £92¼
Brown & Jackson (20p) 23 ½ 4½. 10.75pc1stPf (£1) 130 (24/3)
Brown Boveri Kent 7¼pcDb 1988-93 £88⊕. 8pcLn 1988-93 £88
Brown Bros Corp 9pcLn 1987-92 £93 (25/3)
Brown (John) 5¼pcLn 2003 £67 (25/3)
Bulgin (A. F.) (5p) 32 (25/3)
Bullers 5pcPf (£1) 49
Bunzl 7pcLn 1995-97 £144
Burgess Grp 6pcPf (£1) 50 (25/3)
Burroughs Corp Com ($5) £64 (24/3)
Burton Grp Wts 1991 68⊕ 8⊕ 80 1 2 3 3. 9pcLn 1998-2003 £77 (24/3). 9¼pcLn 1998-2008 £90½. 8pcLn 1996-2001 £132 3 4 5
Butlin's 6½pc1stDb 1982-87 £97 (20/3)

C—D

C.H. Ind 7pcPf (£1) 256 6 (25/3)
CNA Gallo (R0.10) 65
Cadbury Schweppes 3½pc1stPf (£1) 48. 8¼pc1stDb 1994-2004 £87½ (20/3). 9pc1stDb 1988-93 £98½
Caffyns 10pcPf (£1) 130 5
Cakebread Robey 8½pcLn 1995-98 £70
Canadian Overs Pack Ind ComNPV 450
Cape Inds 10pcDb 1986-91 £95⊕
Capital Radio (10p) 185 7 90 2. New (10p) (Fp27/3/87) £1.85 1.87 1.92 1.92 1.94
Carlton Inds 7pcPf (£1) 80 (24/3). 9½pcLn 1986-91 £99 (25/3)
Central & Sheerwood 10pcPf (£1) 42 (25/3)
Centreway Inds 11pcPf (£1) 112 (25/3)
Centreway Tst 11pcPf (£1) 110
Channel Tunnel Inv (5p) 95 100 1
Charringtons Ind Hldgs 8pcLn 1988-93 £85 (24/3)
Charter Cons (2p8r) (Cpn45) 330
Chepstow Racecourse 241 (20/3)
Clarke (T.) (10p) 50 (25/3)
Coats Patons 4¼pcLn 2002-07 £45 (24/3). 6½pcLn 2002-07 £69 72½ 3½. 7½pcLn 1990-95 £86½ 7½ 8 9½
Coats Viyella 4.9pcPf (£1) 65 (25/3)
Cohen (A.) NVA (20p) 565⊕ 70⊕
Collins (William) 6pcDb 1993-1998 £68½ (24/3)
Comben Grp 7¾pcLn 1992-97 £75 (24/3)
Combined English Stores Grp 9¼pcLn 1986-91 £85 (23/3)
Cookson Grp 7pcPf (50p) 25 (24/3). 7pcPf (£1) 64 (25/3)
Cope Allman Intnl 7¼pcLn 1971-90 £91
Corner Brook Pulp & Paper 4½pcPf (£1) 40 (25/3)
Courtaulds 5pc1stPf 48. 7¼pcDb 1989-94 £90½. 5½pcLn 1994-96 £75. 6½pcLn 1994-96 £79 ¼ 80½. 7¼pcLn 1994-96 £83½ 5 ½ 6. 7¾pcLn 2000-05 £85⊕
Courts (Furn) 223 5 (24/3)
Cowan de Groot 10½pcPf (£1) 116 20 (25/3)
Cowie (T.) 10½pcPf (£1) 90 (24/3)
Crean (James) 10pcLn 1995 (Ir£100) I£238⊕
Croda Chemicals Intnl 8pcPf (£1) 65 (24/3)
Cronite Grp 5.6pcPf 25 (24/3). 14pcDb 1992 £267
Crosby Woodfield 10pcPf (£1) 105 (23/3)
Crystalate Hldgs 8pcPf (50p) 50 (24/3). 5½pcLn 2003 £162 (24/3)
DAKS Simpson Gp £15¾ (24/3). 5pcPf (£1) 44½ (23/3)
DRG 7¾pcLn 1986-91 £93¾ 4 ¼ ½ 5¼
Dale Gp (10p) 130 (25/3)
Dalgety 4.85pcPf (£1) 50. 6½pcDb 1985-1995 £87½ (20/3). 8¼pcDb 1988-95 £95¼ (23/3)
Dataserv Inc ($0.05) 170 (24/3)
Davies Metcalfe (10p) 63⊕
Dawson Intnl 10¾pcDb 1990-95 £104 (25/3)
Debenhams 6¼pc2ndDb 1990-95 £83 (24/3). 7¼pc2ndDb 1991-96 £76 (24/3). 6½pcLn 1986-91 £83 7 ½ (25/3). 7¼pc Ln 2002-07 £76⊕ 9½⊕. 7¼pcLn 2002-2007 £80½⊕
Delta Gp 4.2pc1stPf (£1) 57. 3.15pc2nd Pf (£1) 39. 7¼pcDb 1985-90 £92 ½ ¾ 4 (25/3). 10¼pcDb 1995-99 £89¼ (25/3)
Desoutter Bros (Hldgs) 5.25pcPf (£1) 69 (25/3)
Dewhirst (I. J.) (Hldgs) 9.75pcPf (£1) 113 20 (23/3)
Dewhurst (10p) 39⊕
Dickie (James) (Drop Forgings) 48⊕
Diploma 10½pcLn 1990-95 £93 (24/3)
Dixons Gp Ln (NPd) 10½ ½ ¾ 1 1 ½ ½ 2 ¼ ½
Dominion Intnl Gp Wts 11 1 2½ 3
Dow Chemical ($2.50) £51¾
Dowty Gp 7pcLn 1986-91 £87½ (25/3)
Dyson (J. J.) 7¼pcDb 1987-92 £120 (24/3)

E—F

EIS Gp 4pc1stDb £30 (25/3)
EMAP 175 5 8
ERF (Hldgs) 10pcPf (£1) 107 (25/3)
Eastern Produce (Hldgs) 10½pcLn 1997-02 £223 (25/3)
Ellis Everard 7¼pcDb 1987-92 £89½ (25/3)
Elswick 8pcPf 1992-94 (£1) 480
Empire Stores (Bradford) 9¼pcDb 1994-1999 £101¼ (24/3)
English China Clays 6¼pcDb 1985-90 £81½ (24/3). 7¼pcDb 1987-92 £90½ (25/3). 7pcLn 1998-2003 £74 (20/3). 7¼pcLn 1993-98 £83 (23/3)
English Electric 6¼pcDb 1984-89 £91. 7pcDb 1986-91 £94 5½ ¾ (25/3)
Evered Hldgs 3.85pcPf (£1) 52 (24/3)
Excalibur Jewellery 11.5pcPf (£1) 85
FII Gp 7.7pcPf 1995-99 (£1) 210 (24/3)
FKI Electricals 7pcPf (£1) 450⊕
Farnham 12.5pcPf (£1) 135 (25/3)
Finlay (James) 5pc2ndPf (£1) 67 (24/3)
Fisons 8½pcDb 1984-89 £81½ (24/3). 5¼pcLn 2004-09 £62 ½
Fluor Crp ($0.625) £9¾ (25/3)
Folkes Gp (5p) 48
Fortnum Mason (£1) £27 (24/3)
Foseco Minsep 4½pcPf (£1) 52 (24/3). 8¼pc2ndPf 158 (24/3). 10pcLn 1990-1995 £155 (23/3)
Foster (John) Son 9pcLn 1988-92 £97 (20/3)
Friendly Hotels 5pcPf (£1) 148 51 3
Frogmore Estates 13.85pc1stDb 2000-05 £121½ (25/3)
Futura Hldgs 495 (25/3)

G—H

GEI Intnl 10pcLn 1987-92 £100 (25/3)
GKN (UK) 6¼pcDb 1984-89 £95 (24/3). 10½pcDb 1990-95 £106. 10¼pcDb 1993-97 £[illegible] (25/3)
GR (Hldgs) 10½pc2ndPf (£1) 128 (24/3)
Garton Engineering 8¼pcLn 1993-97 £110 73 3
General Electric 7¼pcLn 1987-92 £89½⊕. 7¼pcLn 1988-93 £89⊕ ½⊕ 91⊕
General Motors ($1⅔) $79 (25/3)
Gestetner Hldgs 10pcLn 1990-95 £130
Gibbs Dandy (10p) 135⊕
Glass Glover Gp 6¼pcPf 2001 (£1) 113⊕
Glaxo Gp 6¼pcLn 1985-95 (50p) 41 (24/3). 7½pcLn 1985-95 (50p) 43½
Glynwed Intnl 7¼pcDb 1989-94 £88½ (25/3). 10¾pcLn 1994-99 £100
Gnome Photographic Prods (10p) 140 (24/3)
Goodwin (10p) 46 8
Gossard (Hldgs) 5½pcPf (£1) 57
Grand Metropolitan 5pcPf (£1) 47 9. 6¼pcPf (£1) 56½. 10pcLn 1991-96 £97 ½ 8 100 ½
Gt Universal Stores 5½pcLn £43 50 1. 8¼pcLn £60 (25/3). 8¼pcLn 1993-98 £80 4½ 6½
Hall Engineering (Hldgs) 5.55pcPf (£1) 70⊕
Halma 11pcPf (£1) 120 (23/3)
Hanover Druce 6.75pcPf (£1) 115⊕
Harris (Philip) (Hldgs) 8pcPf (£1) 64 (20/3)
Harrisons Crosfield 6½pcPf (£1) 60 (25/3)
Hawker Siddeley Gp 5½pcPf (£1) 50. 7¼pcDb 1987-92 £90¼ (23/3). 8¼pcDb 1987-92 £97 (20/3)
Hay-Robertson 5pcPf (£1) 70 (24/3)
Hepworth Ceramic Hldgs 10.4pcDb 1992-1997 £102 (23/3)
Hercules (npv) $61.45⊕
Herrburger Brooks 115 (25/3)
Hestair Consumer Prods 6pcLn 1985-95 £67½ (24/3)
Hewitt (J.) Son (Fenton) 10pcPf (£1) 115
Hickson Intnl 8½pcLn 1989-94 £80⊕
Higgs and Hill 8pcLn 1989-94 £93 (20/3)
Hill and Smith Hldgs 14pc1stDb 2000-03 £117 (25/3)
Hobsons Publishing New (5p) 365 8
Hoechst (DM 50) $73.55 DM 282½ 263½ 265 266 270 271 271½ 272 272½
Hoechst Finance 10pcLn 1990 £102½ (24/3)
House Fraser 7½pcPf (£1) 67 (25/3). 6pc Ln 1993-98 £78 (25/3). 8¼pcLn 1993-1998 £86½
Howard Wyndham (5p) 15 (20/3). 18pcLn 1976-91 £88⊕
Hunterprint Grp 6½pcPf (£1) 154 (25/3)
Hunting Assocd Inds 9½pcLn 2003-08 £161 (25/3)

I—J—K

IMI 7¼pcLn 1986-91 £88½ (20/3). 7¾pc Ln 1988-93 £91
Illingworth Morris 6½pcPf (£1) 59 6½pc 2ndPf (£1) 59 (20/3)
ICI 5¾pcLn 1994-2004 £68 9¼ ½ ¾ 70½. 7¾pcLn 1986-91 £84 ½ 5 ½ ¼. 8½pcLn 1988-93 £95 6 ¼ ⅛ 7 ½. 11¾pc Ln 1991-96 £106½ 7½
Imp Cold Storage Supply (R0.25) 115 (25/3)
Inco Engd Prods 8pcDb 1987-92 £91 2 (24/3). 7pcDb 1996 2001 £97¼ (24/3)
Intnl Bus Match Cpn Cap ($1.25) £93½
Intnl Leisure Grp 7¼pcPf (£1) 137¼⊕ 8⊕ 9½⊕
Intnl Paint 8¼pcLn 1990-95 £88 ½
Intnl Stand Elec Cpn 8½pcLn 1979-89
Jamesons Chocolates (10p) 210 £112 (20/3)
Johnson Firth Brown 11.05pcPf (£1) 120 (25/3). 11pcLn 1993-98 £91 ½
Johnson Matthey 8pcPf (£1) 145 (25/3). 8¼pcDb 1985-95 £92 (24/3)
Jones Stroud (Hldgs) 10pcPf (£1) 121 (20/3)
Juliana's Hldgs 7½pcLn 2000-02 £67⊕
Kenning Motor Grp 7pcPf (£1) 64
Kingsley Forester Grp 3.85pcPf (£1) 43½ (20/3)
Kynoch (G. G.) 255

L—M

Ladbroke Grp Wrnts 385 (25/3). 8pc Ln 1990-92 £93¾ 4
Laing (John) A N-vtg 504 4 5 5 7 7 10
Laird Grp 8pcLn 1988-93 £80⊕
Lamont Hldgs 10pc3rdPf (£1) 123 (25/3)
Laporte Inds (Hldgs) 10¼pcDb 1994-99 £101 (20/3)
Lewis's Inv Tst 6½pcDb 1985-90 £88½⊕
Lex Service 2ndSerWrnts 210 (24/3). 8¼pcLn 1992-97 £86 (24/3)
Liberty 6pcPf (£1) 55⊕. 9.5pcPf (£1) 115 (20/3)
Linread 8pcLn 1987-92 £86 (25/3)
Lockheed Cpn ($1) £32.11 (25/3)
London Nrthrn Grp 5.4pcPf (£1) 68⊕ (23/3)
London Prov Poster Grp 8½pcLn 1986-91 £91
London Intnl Grp 8pcLn 1990-95 £86 (25/3). 10½pcLn 1990.95 £100½ (25/3)
London Park Hotels 10½pc1stDb 2000-05 £104 (24/3)
Lonrho 7½pc1stDb 1986-91 £87 (24/3). 10¼pc1stDb 1997-2002 £100 (24/3). 9pc2ndDb 1987-92 £88 (24/3)
Low Bonar 6pc1stPf (£1) 53 (25/3). 5½pc 3rdPf (£1) 48½ (25/3)
Lucas Inds 7¼pcLn 1983-88 £98¾ (25/3). 10¼pcLn 1992.97 £106¼ ½ (25/3)
MIL Research Grp (5p) 198
MK Elec Grp 7½pcLn 1986-91 £90½⊕
MY Hldgs Dfd (10p) 40 2 (24/3)
McAlpine (Alfred) 9pcPf (£1) 116 (25/3)
McCarthy Stone 7pcLn 1999-04 £189
McKechnie 10pcLn 1994-99 66 p 258 (24/3)
Mallett New (5p) 200 2 3
Manganese Bronze Hldgs 8¼pcPf (£1) 78¼ 9½ ¼ (23/3)
Manor Natl 10½pcPf (£1) 115 (23/3)
Mappin Webb Hldgs 6pcPf (£1) 54
Marks Spencer 7pcPf (£1) 64. 10pcPf (£1) 91
Marley 6½pcPf (£1) 60 (24/3). 6¼pcDb £97 (25/3)
Marshall (Thomas) (Loxley) 7pcPf 60 1983-8 £97 (25/3)
Marshalls Halifax 10pcPf (£1) 110
Massey-Ferguson Hldgs 7½pcDb 2011 £115¼ (24/3)
Menzies (John) 9pcPf (£1) 110
Metal Box Wrnts 80⊕. 4.9pcPf (£1) 63 4 (23/3). 2.8pc2ndPf (£1) 37. 10½pcLn 1992-97 £100½ 2½
Micro Bus Sys 6pcLn 1997 £80 (20/3)
Millfields Inv 7pcPf (£1) 95 (24/3)
Minty 422 (24/3)
Monsanto ($2) £48¾⊕
Monsanto PLC 6¼pcLn 1992-97 £74 (20/3)
Morceau Hldgs 8¼pcLn 2000 £73⊕ 5⊕
More O'Ferrall 10pc2ndPf (£1) 120 (24/3)
Morgan Crucible 9¼pcDb 1995-2000 £88¼

N—O—P

NCR 8½pcLn 1993-98 £84 (24/3)
Newbold Burton Hldgs 94 (23/3)
Newman Inds 10pcPf (£1) 98 (24/3). 10¼pcPf (£1) 108 (24/3). 10½pcLn 1996-98 £85 (24/3)
Newton Chambers 5pc1stPf(£1) 25 (25/3)
Next 7¾pc1stMtDb 1987-92 £93 (24/3)
Nobo Grp (10p) 174 4
Norcros 5pcPf (£1) 100 (24/3)
Normans Grp 8¼pcLn 1999-2004 £106 7
Norsk Data AS ClassB (NK20) £261⊕
North British Steel Grp (Hldgs) 42 5 6
Northern Eng Inds 3pcPf (£1) 37. 5.375pc Pf Pf (£1) 63 (25/3) 7pcLn 2000-05 £70 (25/3) 8¼pcLn 1988-93 £87 (25/3) 9pc Ln 1990-95 £91 3 (24/3)
Northern Foods 7¼pcDb 1985-90 £93⊕
Oceonics Grp 10¾pcPf 1993 (£1) 50½ (25/3)
Oliver (George) (Footwear) 390 (25/3)
Oriflame Int ($1) 950
PLM AB B (SK25) SK197½
Pall Cpn ($0.25) £20 (25/3)
Parker Knoll £30
Parkland Textile 162 (25/3). 4.2pcPf (£1) 52 (25/3)
Paterson Zochonis 10pcPf (£1) 130⊕
Pauls 6¼pcDb 1985-90 £89 (24/3)
Pavilion Leisure (10p) 86
Pearson 8pc1stDb 1986-91 £85 (24/3). 9pcStDb 1988-93 £100 (23/3). 10¼pc 1stDb 1997-2002 £107½. 5½pcLn 1983-1993 £73. 6¼pcLn 1988-93 £78. 8pc Ln 1988-93 £85. 8¼pcLn 1988-93 £91. 10½pcLn 2001-05 £104½ (25/3). 10½pc Ln 1993-98 £105 (24/3). 10½pcLn 1993-98 £300 (24/3)
Peglar-Hattersley 7pcLn 1989-94 £83 (25/3)
Pentos Dfd (20p) 203. 13½pcLn 1990 £147 (24/3)
Philcom 8pcPf (£1) 107
Pittard Grp 9½pcPf (£1) 120⊕
Plessey 7¼pcDb 1992-97 £77 86½ 7½ (24/3)
Portals Hldgs 6pcPf (£1) 48 (25/3). 9½pc Ln 1994-2000 £213 (25/3)
Portsmouth Sunderland Newspaper 10.5pc 2ndPf (£1) 138 40 1½ 2 (24/3)
Pratt (F.) Eng 7¾pcLn 1987-92 £84 (24/3)
Press Tools (10p) 130⊕
Pressac Hldgs 10.5pcPf (£1) 107 (24/3)

Q—R—S

Queens Moat Houses 10¼pc1stMtDb 2020 £101¼ ¾. 12pc1stMtDb 2013 £111½ (24/3). 10½pcLn 1989-91 £412 (23/4)
Quick (H. and J.) 10pcPf (£1) 110
RCO Hldgs (10p) 99
REA Hldgs Wrnts sub 17⊕. 9pcPf (£1) 77 (24/3). 12pcLn 2000 £96 (24/3)
RJR Nabisco $57¼ (24/3)
RPH 4pcPf (£1) 37 (24/3). 8pcDb 1992-96 £93½ (23/4). 4½pcLn 2004-09 £40 4 6. 7¾pcLn 1987-92 £89 (25/3). 9pcLn 1999-2004 £90 ½ 1½
Racal-Chubb 8pcLn 1992-95 £89 (25/3). 8½pcLn 1987-92 £95½⊕
Rank Orgn 6¼pcPf (£1) 58. 8pc2ndPf (£1) 76. 5½pcLn 1990-95 £76 (25/3). 6pcLn 1983-88 £96 (24/3). 8pcLn 1988-93 £90½ 1. 10¾pcLn 1997-2002 £105 6
Ranks Hovis McDougall 6pc1stPf (£1) 56. 6pcAPf (£1) 55 (24/3). 6pcBPf (£1) 56. 6¼pcLn 1985-88 £93¾. 6½pcLn 1983-88 £95½ 6⅞ (25/3). 8¼pcLn 1990-94 £93⊕. 8¾pcLn 1991-95 £96½ 7 ¼
Readicut Intnl 8¼pcLn 1988-93 £92 (25/3)
Reckitt Colman 5pcPf (£1) 47. 6¼pcDb 1985-90 £96½ (23/3)
Redland 7¼pcDb 1990-95 £86 (25/3)
Reed (Austin) 365
Reed Intnl 4½pcPf (£1) 42½ (25/3). 5pc Pf (£1) 40 (24/3). 5½pcPf (£1) 50 (23/3) 7pcDb 1987-92 £87¼ (24/3). 7½pcDb 1987-92 £92 (24/3). 7½pcDb 1990-95 £95½. 5½pcLn £57⅛ (24/3). 7pcLn 1987-92 £85 (20/3). 7½pcLn £79 (24/3). 7¼pcL 1996-2001 £81 ½. 10pcLn 2004-09 £98 100 1 ½ 2 ¼ ½
Renold 6pcPf (£1) 55 (24/3). 6¼pcDb 1990-92 £87 (25/3). 7¼pc2ndDb 1992-97 £95 (25/3). 8pc1stDb 1991-96 £86 (25/3)
Penmore 13pcPf 1991-92 (£1) 180 (23/3)
Robertson Foods 10½pcDb 1992-97 £102½
Rockware Gp 7.7pc2ndPf (£1) 285 (25/3). 8pcLn 1995-99 £77
Ropner 11pcPf (£1) 132 (25/3)
Rotork 9½pcPf (£1) 120 (24/3)
Rowntree Mackintosh Wts sub Ord 550⊕ 5⊕ 200. 6pc1stPf (£1) 55 7. 7pc2ndPf (£1) 61. 7½pc3rdPf (£1) 71⊕
Rugby Portland Cement 6pcLn 1993-98 £70 2. 7¼pcLn 1993-98 £80⊕
Russell (Alexander) 5.75pcPf 94
S & U Stores Wts sub Ord 20
SGB Gp 9¼pcDb 1991 94 £97 8 (20/3)
STC Intnl Computers 6pcDb 1983 88 £94¼
Sainsbury (J.) 8pcLn £77
Salvesen (Christian) 5.6pcPf (£1) 73 (24/3)
Sanderson Murray and Elder (Hldgs) (50p) 150 7
Savoy Hotel 8½pcLn 1993 98 £87⊕
Scantronic Hldgs 5.75pcPf (£1) 150⊕
Sekox Gp 8pcLn 1988 93 £65 (20/3)
Schering $316.676
Schneiders (S.) Son 6pcPf (£1) 45⊕
Scott's Restaurant (12½p) 910 (25/3)
Sears 7½pcPf (£1) 63 (24/3). 7pcAPf (£1) 67. 7¾pcLn 1992-97 £79 (24/3)
Stars Engng Hldgs 6pcPf (£1) 52. 8¼pc Db 1987-92 £91 2½ (24/3)
Sears Roebuck ($0.75) £34¼ (24/3)
Senior Engng Gp 8¼pcLn 1994-99 £86 (25/3)
Sidlaw Gp 7½pcLn 1992-97 £65 (24/3)
Simon Engng 6¼pcPf (£1) 40½ 53 (20/3). 7¼pcPf 1992-97 (£1) 107½ (25/3)
Sinclair Goldsmith Hldgs New (10p) 97 7 8 8
Singer ($10) $47¾ (27/3)
Sketchley 4.2pcPf (£1) 137 (25/3)
Smith, Nephew Assoc Cos 5½pcPf (£1) 49. 51½ (24/3)
Smith (W. H.) Son (Hldgs) B (10p) 55. 7¼pcPf (£1) 45 (24/3). 5½pcLn £54½ (24/3). 7¼pcLn 1988-93 £97½
Smiths Inds 7½pcDb 1993-98 £99 (24/3). 11½pcDb 1995-2000 £100 5½ 6½
Smurfit (Jefferson) Gp 6pcPf (I£1) 150.79. Pf Currency (Inc (Ir£0.02) I£4½ (24/3). 10½pcLn 1975-95 £87 8 (25/3)
Sommerville (Wm) Son 490 4 500
Southend Stadium Pfd (50p) 10 (24/3)
Spillers 7¼pcDb 1984-89 £95½
Spong Hldgs 7pcPf (£1) 119
Squibb Corp ($1) £100.28 0.44 $161.1 (23/3)
Stag Furniture Hldgs 11pcPf (£1) 123 (25/3)
Staveley Inds 7¼pcLn 1986-91 £86 7½
Stead and Simpson 550 (23/3)
Steel Brothers Hldgs 9pcLn 1990-95 £90 (24/3)
Steetley 4½pcPf (£1) 40 (24/3)
Stoddard (Hldgs) 10pcPf (£1) 390 (23/3)
Stonehill Hldgs 10½pcPf (£1) 98
Storehouse 9pcLn 1992 £199 200
Sutcliffe Speakman Wts sub Ord 48 52 3 (24/3). 9½pcPf (£1) 110 (23/3)
Suter Dfd (5p) 277 (25/3)
Swire (John) Sons 6.3pcPf (£1) 85½ 6¼ (23/3)
Symonds Engng (5p) 30½

T—U—V

TDK Corp (Y50) $21⅞
TI Gp 5.5pcLn 1981-94 £75. 7.7pcLn 1989-94 £87⊕. 9pcLn 1989-94 £92½⊕
Tarmac 7½pcDb 1992-97 £75 (24/3). 8¾pcLn 1990-95 £93½ (20/3)
Tate and Lyle 6½pcPf (£1) 59. 7¼pcDb 1989-94 £86 (24/3). 13pcLn 1994-99 £258½
Taylor Woodrow 7¾pcLn 1987-90 £92½⊕
Television South 10pcLn 1997 £270
Telfos Hldgs Wts sub Ord 30 (23/3). 9pc Pf (£1) 109 (23/3)
Tenneco Inc 10pcLn 1991-95 £196
Tesco 8pcLn 2006 £50½ ½
Tex Hldgs (10p) 122
Thomson Org 4.72pc1stPf (£1) 57 (24/3). 5.63pcPf (£1) 78. 21.7pcPf 74. 3pc1st Db 1984-94 £69 (24/3). 7¼pcLn 1987-92 £84½
THORN EMI Wts sub Ord 153 (25/3). 5pcLn 2004-09 £53. 7½pcLn 1989-92 £87¼ (24/3). 7¾pcLn 2004-09 £72½ (24/3). 8½pcLn 1989-94 £89½
Tilling (Thos) 5.25pcPf (£1) 70. 8pcDb 1985-90 £94½ (25/3). 8½pcLn 1989-94 £92½ 4
Titaghur Jute Factory (£1) 130
Tomkins (F. H.) 9¼pcLn 1994 £260
Tootal Gp 5pcPf (£1) 44½ 7½⊕. 4¾pcDb £44 (25/3). 7¼pcDb 1985-90 £89 (24/3). 7¼pcLn 1989-94 £82 5
Towles (10p) 152 (24/3) A (10p) 108
Trafalgar House 7¼pcPf (£1) 65 (20/3). 7pcDb (£1) 66. 8pcLn 1994-99 £87½ (25/3). 9½pcLn 2000-05 £95 6 ¼ 7¼. 10¼pcLn 2001-06 £101 (25/3)
Transport Development Gp 7pcLn 1982-87 £95 (24/3)
Trinity Intnl Hldgs (50p) 760 70 70 90
Triplex 5½pcPf (£1) 47 (24/3)
Trusthouse Forte 57 9 60 (25/3). 6.25pc 1stMtgDb 1984-89 £90 (25/3). 6.25pc 1stMtgDb 1985-90 £89½ 90. 10.5pc 1991-96 £102. 9.1pcLn 1995-2000 £92½ (25/3)
Turner and Newall 8pc 1987-92 £95. 10.1pc 1990-95 £100½⊕. 11½pc 1995-2000 £112½ (20/3)
Turriff Corpn 5½pcPf (£1) 45 (20/3)
Unigate 6pcPf (£1) 47 (24/3). 5¼pcDb 1985-88 £95½ (25/3). 7¼pcDb 1986-91 £92 ½. 6½pcLn 1991-96 £76½
Unilever 7pcPf (£1) 55 (24/3). 5½pcLn 1991-2000 £62¼⊕. 7¼pcLn 1991-2006 £85 ½ 6 ¼ 7
Union Intntl 6pcPf (£1) 55½. 7pcPf (£1) 63½ (23/3)
Union Steel Corpn (of South Africa) 10
United Biscuits (Hldgs) 134 5 6 6 7. 8pcDb 1993-98 £93⊕. 5¼pcLn 2003-08 £78⊕
Upton (E.) 55 (20/3)
Vantona Viyella 4.55pcPf (£1) 55 (24/3). 5.6pcPf (£1) 70 (24/3). 4.2pcDb 1984-89 £84 (25/3). 7pcDb 1984-89 £92½ (25/3). 7.5pcDb 1984-89 £93. 7.75pc Ln 1987-92 £86 (24/3). 8.1pcLn 1997-2002 £86¼
Vickers 5pc £46 (23/3). 5pc (£1) 45 (25/3). 5pc (£1) 64⊕
Victoria Carpet Hldgs 150 (25/3)
Viking Packaging Gp (10p) 178 80 80 2
Volvo AB $50¼

W—Y—Z

WB Inds (10p) 19½ 21. 11.5pcPf (£1) 63
WCRS Gp 5.5pcCnvPf (10p) 144
WSL Hldgs (5p) 194 5 6
Wade Potteries 10pcPf (£1) 110
Walker and Staff Hldgs (5p) 90
Walker Crosweller 7¼pcDb 1992-97 £80 (24/3)
Walker Greenbank 6½pcCnvPf (25p) 130 (24/3)
Walker (J.O.) 300 (24/3)
Walker (Thomas) (5p) 40 2
Ward White Gp 3.5pcPf (£1) 60
Warner-Lambert £47.2 (23/3)
Waterford Glass Gp (I£0.05) 118 ½ 9. 11¼pcLn 1976-95 I£76.34 (25/3)
Waverley Cameron 150
Wellman 10pcCnvPf (£1) 195 (24/3)
Westland Gp 41 2 3. 7½pcCnvPf (£1) 117 8 20½. 7¼pcDb 1987-92 £91 (25/3). 12¼pcDb 2008 £115⊕ 5⊕ ¼⊕
Whitecroft 4.3pcPf (£1) 52
Whittingham (William) (Hldgs) 8pcLn 1992-97 £90⊕
Whitworth and Mitchell Textorial 7½pc Ln 1994-99 £79½ (23/3)
Widney 7pcPf (£1) 71
Wigfalls 7pcCnvPf (£1) 135 (24/3)
Williams Hldgs 10½pcPf (£1) 130
Wilson Bowden (10p) 143 4 4 5 6 7
Wilson (Connolly) Hldgs 10½pc2ndPf (£1) 106
Woodhead (Jonas) 9½pcLn 1989-94 £84½⊕
Woolcombers (Hldgs) 7½pcPf (£1) 64 (23/3). 6pc2ndPf (£1) 60 (23/3)
York Trailer Hldgs 10pcPf (£1) 140 (25/3)
Yorkshire Chemicals 10pcDb 1991-96 £100¼. 12½pcCnvLn 1987-92 £295 (25/3)
Youghal Carpets (Hldgs) 7½pcPf (I£1) I£0.5. 8pcPf (I£1) I£0.3

FINANCIAL TRUSTS

American Express £78⅛
Arbuthnot Dollar Income Trust £1.097 (23/3)
Arbuthnot Government Secs Trust 75.3
Asset Trust 74
Baillie Gifford Technology 26
Britannia Arrow Hldgs 87 8 90. 6¼pc Pf (£1) 59 (20/3)
Britannia Jersey Gilt Fund (1p) 23.1 (24/3)
Business Mortgages Trust 8.6pcPf (£1) 110 (24/3)
Compagnie Bancaire S.A. £41
Daily Mail and General Trust (50p) £30
Exploration Co (5p) 130 (25/3)
F and C Enterprise Trust 7½ 8 (25/3). 13½ (20/3)
First National Finance Corp 10pcLn 1992 £101 (24/3)
Guinness Mahon Global Strategy Fund Pf ($0.01) $69.84 (23/3)
Highcroft Inv Tst 161 (24/3)
Hill Samuel Inter Currency Fd Pf $0.01 £19½ (24/3)
IBI Global Funds Pf $0.01 £15.08
Inchcape 8½pcPf 1990-92 (£1) 92. 8pc Ln 1987-90 £91. 12½pcLn 1993-98 £101 9¼
Intnl City Hldgs 8½pcPf (£1) 113 4 5
Intnl Stock Exchange UK Rep Ir 7¼pcDb 1990-95 £87⊕. 10¾pcDb 2016 £107 (24/3)
Invicta Gilt Inc Fd Pf (1p) £9.78
JF Pacific Wrt ($2) (Br) £35 (24/3)
Lindustrust Gilt Fund Pf (1p) £11.14 (25/3)
Mercantile House Hldgs Var Rate Ln Nts 1984-89 £99¼ (25/3)
Mercury Offshore Sterling Tst NPV 114.6 Do. (O'seas Fd) 119.8. (Cash Fd) £1.088
Mercury Selected Tst NPV Global Fund (Reg) $47.11 (24/3). Do. European Fund (Reg) $13.01 (25/3)
Mezzanine Capital Inc Tst 2001 In Shs (£1) (75p Pd) 87 ½ 8½. Cap Shs (50p) 55⊕
Murray Ventures Wts 92 (24/3)
NMC Invests Wts 148⊕
National Westminster Gilt Fund Pf (1p) 61 (20/3)
Pacific Inv Tst Wts 70 12
Paribas Concorde Tst 9.364pcDb 1991 £101 ¼
Renaissance Hldgs New (Fy Pd) 99. Wts 36
Rothschild (J.) Hldgs Wts 78 9
Smith New Court Wts 58 (25/3). 12pc Ln 2001 £104 5
Strata Inv Wts 70 (25/3)
Thornton Oriental Inc Fd Cap Shs ($0.10) $0.273 19.64 (23/3)
Transcontinental Svcs Grp Wts 98⊕
United Leasing 9½pcLn 1998-2001 £127 (24/3)
Value Inc Tst Wts 19 (25/3). 6¼pcPf (£1) 117
Yule Catto 11½pcPf 1998-2003 (£1) 158⊕

INSURANCE

Alexander Alexander Svcs Inc Shs C ($1) £18¾ (20/3)
Ecclesiastical Insurance 10pc2ndPf (£1) 115 (24/3)
General Acc Fire Life 5½pc (£1) 50. 7½pcLn 1987-92 £93⊕. 7¾pcLn 1992-97 £88½ (25/3)
Guardian Royal Exchange 7pcPf (£1) 83. 7pcLn 1986-91 £92

INVESTMENT TRUSTS

Alliance 4¼pcPf £38 (24/3). 5pcPf £40½ (23/3)
Atlantic Assets 5pcPf (£1) 40 (25/3)
Baillie Gifford Japan Wts 284 6
Do. Nippon Wts 28 8
Bankers 4pcDb £32 (24/3)
British Assets 4½pcPf £42 (25/3). A 5pc Pf £45½
British Empire Sec Gen 10⅝pcDb 2011 £108 (24/3)
CSC 209
Danae Wts 40 (23/3)
Derby Wts 90
Drayton Cons 7½pcLn 1993 £390
Drayton Japan 4pcPf £34½ (20/3)
Dundee London 5pcPf £45 (24/3)
Edinburgh American 4½pcPf £43 (24/3). 8pcLn 1973-98 (£1) 910⊕
Edinburgh Fin Wts 20 ½ 1½
Edinburgh Inv Tst 3.55pcPf £45 (24/3) 11½pcDb 2014 £120¾ (23/3)
English National Pfd (£1) 227. Dfd Ord 188
F & C Eurotrust 5¼pcLn 1998 £230 (24/3)
F & C Pacific Wts 106½ 9
First Scottish American 5½pcPf £45½
First Union Gen (R0.25) 125 (24/3)
Fleming Mercantile 2.8pcPf (£1) 33 (23/3). 4¼pcDb £30 (25/3)
Fleming Overseas 4½pcDb £40 (20/3)
Foreign Col 5pcPf (£1) 47 (24/3)
German Secs (£1) 108 11
German Smaller Cos Wts 79
Globe 10pcDb 2015 £107¼ ⅞. 11½pc Ln 1990-95 £360 (25/3)
Govett Atlantic 5pcDb 1985-90 £78
Govett Strategic 10¾pcDb 2016 £107½ (23/3). 11½pcDb 2014 £114¼ (24/3)
Greenfriar Invest Wts 315 (23/3)
Investment Tst of Guernsey (50p) 190 2 (24/3)
Investors Capital Tst 5½pcPf £47 (25/3). 7½pcDb 1992-97 £79½ (20/3)
Law Debenture Corpn 3.85pcPf (£1) 52
London St Lawrence Invest (5p) 107⊕
London Tst 4pcDb £44 (24/3)
Merchants Tst 4½pcPf (£1) 42 (24/3)
[illegible] 2012 £113
New Darien Oil Tst Wts 41
[illegible]
[illegible]
North Atlantic Securities Corpn [illegible]
[illegible]
[illegible]
[illegible]
[illegible]
Rights and Issues Inv Tst 68 9 70. 7½pcPf (£1) 65 (24/3)
River Plate Gen Inv Tst Wts [illegible]
Scottish Cities Inv Tst [illegible] (27/3)
Scottish Eastern Inv Tst 4½pcPf £39 (24/3)
Scottish Inv Tst 5pcDb £44 (25/3)
Scottish Mortgage Tst 8pc-14pcDb 2020 £125 (24/3)
Scottish National Tst 10pcDb 2011 £89¾
Second Alliance Tst 4½pcPf £36½ (23/3)
Securities Tst of Scotland 7pcDb 1988-93 £83 (24/3). 12pcDb 2015 £118 ½ (24/3)
Shires Inv Wts 56 9
Smaller Co's Int Tst 5pcPf (£1) 46 (25/3)
TR City of London Tst Pf (20pc) (£1) 188 92 (25/3). 10¼pcDb 2020 £23¼⊕ ½⊕
TR Industrial General Tst 3½pcDb £34 ½ (24/3)
TR Pacific Basin Inv Tst Wts 680
TR Technology Invest Tst 5pcPf (£1) 45½ (23/3)
TR Trustees Corpn 10½pcDb 2016 £107½⊕
T.T. Finance 11⅞pcDb 2018 £115½ (24/3)
Throgmorton Tst 12⅞pcDb 2010 £123½⊕
Throgmorton USM Tst 5½pcPf (£1) 115⊕
Witan Inv 8pcDb 1996-99 £88½. 8½pc Db 2016 £87½

UNIT TRUSTS

M. & G. American Smaller Co's Fund Inc 65.3. Accum 63
M & G. & General Fund Inc 68.3. Accum 66.13 70.6 70.6 (25/3)
M. & G. International Income Fund Inc 67.3 9 67.14 71. Accum 73.2 (24/3)
M. & G. Japan Smaller Companies Fund Accum 85.17 (24/3)

MINES—MISCELLANEOUS

Asarco Inc NPV £12⅞ $ 20.95328 (24/3)
Eisichi Tin (10p) 40
Botswana RST (Pu2) 3 7
Consolidated Gold Fields 7½pcLn 1990-2004 £78 (24/3). 8½pcLn 1988-93 £88
De Beers Consolidated Mines Dfd (R0.05) (Br) (Cpn 79) 12.95½ 13 13½ 13.1 13.2½ 13½ 13.35 270
El Oro Mining Exploration (10p) 280
Globe Phoenix Gold Mining (12½p) 55 (24/3)
Hemlo Gold Mines NPV $C24½ 25.2
North Kalgurli Mines Option 35 (20/3)
Rio Tinto-Zinc Corpn (Br) (Cpn 55) $12.42 12.6 12.7 p 787 8 90. Accum 745 8 53. 3.325pcAPf (£1) 44 (25/3). 3.5pc BPf (£1) (Reg) 45. 6¼pcLn 1985-90 £88 (20/3)

MINES—SOUTH AFRICAN

Coronation Syndicate (R0.25) 118 (25/3)
DAB Investments (R0.01375) (25/3)
General Mining Union Corpn 12.5pcDbs (R27) 57 (23/3)
Griqualand Exploration Finance (R0.05) 10 (20/3)
New Central Witwatersrand Areas (R0.50) £10⅞ (20/3)
New Kleinfontein Properties (R0.25) 82 (23/3)
Trans-Natal Coal Corpn (R0.50) $2.3
Western Deep Levels Option $40

OIL

Atlantis Intntl NPV 40¼⊕
British Petroleum 9pcPf (£1) 86
Burmah Oil 6pcPf (£1) 57. 6pcPf (£1) 57 7¼pcPf (£1) 68½. 8pcPf (£1) 74 5½
Century Oils Gp 5.25pcPf (£1) 65 (23/3)
Damson Oil Corporation ($0.40) £0¼ (20/3)
Dome Petroleum NPV 55
Elf UK 12¼pc Ln 1991 (Reg) £115¼ (24/3)
Great Western Res Inc Shs of Cm Stk NPV 112 5 (25/3). Ptg Pf $0.01 (with prov for Rd and Cnv) 110 10 (23/3)
Occidental Petroleum Corp Shs $0 20 [illegible] (24/3)
Shell Transport and Trading Shs (Br) (Cpn 177) £12.65 (25/3). 5½pc 1st Pf (Cm) (£1) 50
Texaco Intnl Financial Corp 4¾pc Stlg/$ Ln [illegible] £70
Total-Compagnie Francaise Des Petroles B Shs (FFr 50) FFr 486.840134 (25/3)

PROPERTY

Allied London Props 10pc Pf (£1) 124 (24/3)
Allnatt London Props 9¼pc 1st Db 1996-2001 £96 (24/3)
Bilton (Percy) Accum Shs 280 (25/3)
Bradford Property Trust 10½pc Pf (£1) 177 (23/3)
Brixton Estate 6pc 1st Db 1983-88 £98 (23/3). 7¼pc 1st Db 1987-92 £90 (24/3). 9pc 1st Db 1997-97 £98½ (23/3). 11¼pc 1st Db 2023 £115½ (24/3)
Capital and Counties 9¾pc Ln 1991-96 £101
Churchbury Ests 9pc Ln 2000 £87½ (25/3)
City Site Ests 7pc Ln 2005-06 (Fp/PAL—24/4) £115⊕. 7pc Ln 2005-06 (Nil Pd —27/3) £14⊕
Colman (E. Alec) Invests 8pc Ln 1991-96 £79 (25/3)
Crailoton Combined Secs 8¼pc 1st Db 1996-91 £95½ (20/3)
Dares Ests 8pc Ln 1992-97 £70 (24/3)
Estates Prop Invest 7¾pc Ln 1989-92 £55 (25/3)
Euston Centre Props 10.4pc 1st Db 1992-1997 £103½ (27/3)
Great Portland Ests 9.5pc 1st Db 2016 £98 (24/3)
Green Property (I£0.25) I£0.92 84p 90
Greenhaven Secs 7½pc Ln 1991-96 £80 (23/3)
Greycoat Group 12.85pc Ln 1990-92 £135¾ (25/3)
Hammerson Prop Inv and Dev Corp 539 5 40
Haslemere Ests 10½pc 1st Db 2016 £108⅞ 9¼ (23/3)
Lands Securities 6¼pc 1st Db 1993-98 £78¼. 7¼pc 1st Db 1991-96 £87 (25/3). 9pc 1st Db 1996-2001 £97. (24/3). 10pc 1st Db 2025 £102⅞ 3 ¼. 8½pc Ln 1992-97 £91 ¼ ½ 2
Lewis (John) Props 8¼pc Db 1993-98 £92 (24/3)
London and Prov Shop Centres (Hldgs) 10pc 1st Db 2026 £99½
London County Free and Leas Prop 7¼pc 1st Db 1992-96 £92
London Shop Prop Trust 8¼pc Ln 1987-1997 £85⊕
MEPC 4½pc Pf (£1) 41½. 9¾pc 1st Db 1997-2002 £100½ (20/3). 10½pc 1st Db 2024 £112¾ 3¼. 12pc 1st Db 2017 £122 (24/3). 8pc Ln 2000-05 £84½. 8½pc Ln 1995-2000 £116½⊕
Mucklow (A. and J.) Group 7pc Pf (£1) 57. 7½pc 1st Db 1990-95 £85 (25/3)
Peachey Prop Corp 6¼pc 1st Db 1983-88 £96½
Peel Hldgs 10pc Pf (50p) 60 (24/3)
Property Sec Inv Trust 9pc Pf 93 (23/3)
Regis Prop Hldgs 8¾pc Ln 1997 £91½ 2¼ (24/3)
Reliable Props 600
Rosehaugh Greycoat Ests 11pc 1st Db 2014 £113
Rush and Tompkins Group 7.5pc Pf (£1) 132 (24/3)
Scottish Metro Property 10¼pc 1st Db 2016 £104½
Shaftbank Property Trust 7½pc Pf (£1) 45 (24/3)
Slough Ests 7½pc 1st Db 1985-90 £95½⊕
Town Centre Secs 9pc Ln 1996-2000 £144½
United Kingdom Property 8½pc Ln 2000-2005 £80½⊕
Wates City of London Props 155 70
Webb (Joseph) 7½pc Pf (£1) 64 (24/3). 9pc Db 1985-90 £90
Western Ground Rents 3¼pc 1st Db (1956-1991) £76 (20/3)

PLANTATIONS

Anglo-Eastern Plants Wrnts to sub 10. 12½pc Ln 1995-99 £90
Anglo-Indonesian Corp Ptg rate Ln 1985-1988 £80 (24/3)
Beradin Hldgs (5p) 50
Chillington Corp Dfd 72½ (24/3). 9½pc Pf (£1) 105⊕. 9pc Ln 1999 £102 (25/3)
Dunlop Plants 6pc Pf (£1) 55
McLeod Russel 4.2pcPf (£1) 52. 7pcLn 1986-91 £78 (23/3)
Malakoff Berhad (M$1) 68 (23/3)
Padang Senang Hldgs (10p) 65 (20/3)
Rua Ests Hldgs 725
Singapore Para Rubber Ests (5p) 45⊕
Western Dooars Tea Hldgs (£1) 600 (24/3)

RAILWAYS

Canadian Pacific NPV C$24⅛
Fishguard, Rosslare Rlys Hbrs 3½pc Pf £33⊕
New Brunswick Rly 4pc Db £30 (20/3)
Ontario Quebec Rly 5pc Db £73 (25/3)

SHIPPING

Peninsular Oriental Steam Nav 5pc Pfd £44½⊕ Wrnts purchase Dfd 198 (25/3). 3½pc Db £30 (25/3). 3½pc 2nd Db £28½ (20/3)
Turnbull Scott Hldgs A N-vtg (£1) 400 400 (24/3)

UNLISTED SECURITIES MARKET

Barton Transport Dfd (160p) 700 700 50
Bristol Channel Ship Repairers (10p) 8½ ¾ 9
Calcutta Elect Supply Cpn (India) (Ru 10) 60
Felixstowe Dock Rly Pf Units £104 5
GTE Cpn Com ($0.10) $42.44215 (20/3)
Intercom Belge NPV (Br) BF 430 435 (23/3)
Manchester Ship Canal 5pc Pf (£1) 280 90 (20/3). 1st 3½pc Dbs (Reg) £34 (25/3)
Mersey Docks Harbour Combined Units 34 5. 3½pc Db 79-89 £81 2. 3½pc Db 79-89 £80. 6¼pc Db 96-99 £62 (25/3). 3¾pc Irrd Db £27
US WEST Inc NPV $56⊕

WATER WORKS

Bristol Waterworks 4.9pc (fmly 7pc) £61. 3.5pc (fmly 5pc) Pf £42 3.
Cambridge Wtr 7pc Pf 1989 £101
Chester Waterworks 8pc Pf 1992 £102⊕
Colne Valley Wtr 2.8pc (fmly 4pc) Pf £28 38½ (20/3). 5pc Db 86-91 £70⊕
East Anglian Wtr 9pc Db 92-94 £94 5
East Surrey Wtr 3.5pc (fmly 5pc) Pf £35 (25/3). 5.6pc (fmly 8pc) Pf 92-94 £83⊕. 10pc Db 97-99 £92 (20/3)
East Worcestershire Waterworks 3.5pc (fmly 5pc) £42⊕. 12½pc Db 94-96 £117 (20/3)
Essex Wtr 3.5pc (fmly 5pc) £45 (24/3). 3.5pc (fmly 5pc) New £45 (24/3). 3.5pc (fmly 5pc) Pf £45⊕. 10pc Db 92-94 £102½ (23/3). 10½pc Db 94-96 £105½ (20/3)
Folkestone Dist Wtr 7pc (fmly 10pc) (£10) 670 (20/3)
Hartlepools Wtr 8pc Db 92-94 £80⊕
Lee Valley Wtr 2.8pc (fmly 4pc) £30½ (23/3). 2.8pc (fmly 4pc) Pf £36½ (20/3). 4pc Db £25½ (23/3). 6pc Db 85-87 £89⊕
Mid-Sussex Wtr 3.5pc (fmly 5pc) Pf 85-87 £93 (20/3)
Newcastle Gateshead Wtr 5pc Db £42 (23/3)
North Surrey Wtr 9½pc Db 94-96 £99
Portsmouth Wtr 3pc Db £30½
South Staffordshire Waterworks 4.9pc (fmly 7pc) Class B £65 (20/3). 3.5pc (fmly 5pc) Pf £42½ (20/3). 4.9pc (fmly 7pc) Pf 88-90 £84. 5pc Db £47⊕. 7pc Db 88-90 £92½ (25/3). 7½pc Db 91-94 £77¼ (20/3)
Sunderland South Shields Wtr 2.8pc (fmly 4pc) Pf £27½ (20/3). 7pc Db 86-88 £95 6½ (23/3). 10pc Db 92-94 £101⊕
West Hampshire Wtr 4.2pc (fmly 6pc) Pf £10 360⊕
York Waterworks 4.9pc (fmly 7pc) £60⊕. 3.5pc (fmly 5pc) £49⊕. 5pc Db £33 (23/3)

USM APPENDIX

Avesco 79⊕
Biomechanics Intnl (10p) 26. 8pc Ln 1991 £105 (24/3)
Cannon St Invsts 7.7pc Pf 94-98 £10.7
Castle Communications New (5p) (fp) 212 3 5 6 7 8 20 20 2 3 5 5 7 8 30
Cobra Emerald Mines NPV 65 (25/3)
Continental Microwave (Hldgs) 5pc Pf 2005 (£1) 108
Cramphorn (50p) 540⊕
Electron House 6.5pc Pf (£1) 120 1 2
Fornabrook 12pc Ln 92-97 £107⊕ 15⊕
Forward (5p) 136
Gibbs Mew 247 (24/3)
Goodhead Print 7pc Pf (£1) 135 (24/3)
Gould (Laurence) 135 7
Heavitree Brewery 495 505. A Lim-vtg 465
Hewitson New (10p) (fp) 90
Hornby Gp (5p) 110 7
JSB Electrical New (20p) 131 4
Johnson Fry (10p) 202
Miays (5p) 135
New England Props 10pcLn 1990 £270 (24/3)
Parkfield Gp 7pcPf (£1) 262 (25/3)
Perkins (John) Meats (10p) 42 3
Pict Pet New 6 (5p) 3
Prism Leisure Cpn (10p) 153. New (10p) 150 3 (24/3)
Regina Health Beauty Prods (2p) 38 40 1. New (2p) 39 41
Sanders & Sidney (5p) 145⊕. New (5p) 140
Sigmex Intnl (10p) 70⊕
Technology for Business 7pcPf (£1) 114 (20/3)
Thornton (G. W.) Hldgs (5p) 170 2 4
Wood (John D.) (10p) 174½ 5 8

SPECIAL LIST

RULE 535 (3)

Dealings for approved companies engaged solely in mineral exploration

Andaman Resources (10p) 100 1 (23/3)
Kenmare Oil Expln (Ir25p) 77½ 8 ½ 9 ½
North West Expln (20p) 48 50 1 2 3 4 5 6 7 8

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RULE 534 (4) (a)

Bargains marked in securities where principal market is outside the UK and Republic of Ireland. Quotation has not been granted in London and dealings are not recorded in the Official List

AOG Minerals A$0.594 0.598
Aberfoyle A$13.0
Acmex Hldgs A$7.235 (25/3)
Acorn Securities A$1.87 1.91
Algoma Steel Corp 750 (24/3)
Allstate Explns A$1.866
Amatil A$10.368
Amber Gold A$0.34 (25/3)
American Barrick Res Corp C$38.461⊕ £17¾ 19.2 (25/3)
Ampol Expln A$3.987 (25/3)
Amsterdam-Rotterdam Bank £24¼ 24.4 $39.0 Fl 79.9 80
Aust Development A$4½ (24/3)
Aust Motor Industries A$3.311 (23/3)
Aust Oil & Gas 85⊕ (25/3)
Aust Pacific Resources A$0.69 (25/3)
Anglo American Corp of S Africa (R0.10) $20¾⊕ 21.85 21.9 22.35 ½ ⅝ ¾ R67¾ 8½ ¼ (25/3)
Bamboo Gold Mines A$0.719
Basic Resources Int (Bahamas) 38⊕ (23/3)
Berjuntai Tin Dredging 65⊕ 6⊕ 8⊕ Ma$3.0 (20/3)
Beverly Enterprises $17⅞⊕ 18⊕ (25/3)
Black Hill Minerals A$0.398 (25/3)
Brown-Forman Inc Clas B £46 (23/3)
Bukit Sembawang 80⊕ (20/3)
CSF (Thomson-CSF) FFr 1710 20 (25/3)
Cadbury Schweppes Australia 90⊕ (25/3)
Centaur Mining & Expln 56⅞ (20/3)
Central Norseman Gold 760⊕ A$17.37 17.4 17.54
Central Victorian Gold Mines 15 A$0.341 (24/3)
City Developments S$3.38 (23/3)
Conex Aust 7 A$0.159 (23/3)
Desa Corp Com Stk 48 (24/3)
Development Bank of Singapore 353
Devex A$9.07 (23/3)
Duiker Expln 400 (25/3)
Du Pont (E.I.) De Nemours $117¼⊕ (25/3)
Emu Hill Gold Mines 12½⊕ (25/3)
Equity Silver Mines C$6.0⊕ (23/3)
European Ventures 30 (23/3)
Fairchild Industries 812½ (20/3)
Geometals 29 (24/3)
Golconda Minerals 68
Golbelt Mines C$7.695⊕ p125 (20/3)
Golden Plateau A$0.582 (25/3)
Grants Patch Mining A$0.797 (24/3)
Great Eastern Mines A$0.392 (24/3)
Greenbushes Tin 25
Greenwood Resources 4
Groupe Bruxelles Lambert BFr 3770.86 (25/3)
Haoma North West 9½
Hill 50 Gold Mines A$1.316
HK-TVB HK$13.0 13.4 (24/3)
Horizon Pacific A$0.475 (24/3)
Hunter Resources A$1.566
Int Mining A$0.219
Invincible Gold NL Ord A$0.30 (A$0.20) 27 A$0.6
Jamex Resources C$1.1⊕ (25/3)
Japan Fund £11.55 (23/3)
Jones Mining (A$0.20) 35 (25/3)
Kalgoorlie Resources A$0.275 (25/3)
Keystone Intnl $20¼⊕ (23/3)
Kulim Malaysia 35
Kulim Malaysia (Malay Reg) S$1.4 1.42 (24/3)
Loral Corp $47⅛⊕ (25/3)
Malayan Credit S$1.871 1.881 (25/3)
Marco Resources 32½
Matsushita Electric Industrial Y1629.74 (25/3)
Mid-East Minerals 34⊕ 35
Mincorp Petroleum 8 (20/3)
Mitsubishi Heavy Inds Y615.33 (25/3)
Mogul Mining A$0.4⊕ (25/3)
Mount Carrington Mines 260⊕ 253.5 A$5.7
Mount Martin Gold Mines A$1.047
NZ Forest Products NZ$4.325⊕ (25/3)
National Polts 367½⊕ R20½ (20/3)
National Electronics (Cons) 4⊕ 5⊕ 7⊕ 6⊕ (25/3)
Nationale-Nederlanden (Fl 2.5) £21½ 21.7 Fl 71.9 272.55
New Zealand Goldfields HK$4¼ (24/3)
Oil Search 58 9 41 A$0.997
Pelahora Mining 550
Pancanadian Petroleum £16½
Petro Energy 4 (25/3)
Pine Vale Invs A$0.502 (20/3)
Pioneer Electronic Corp Y2018.84 (25/3)
Pioneer Sugar Mills 72⊕ (25/3)
Plenty River Mining A$0.448
Pretoria Portland Cement 260 R14.6
Posey Corp A$0.209
Range Resources A$0.67 0.68 (25/3)
Regal Hotels (Hldgs) 15⊕ (25/3)
Rorer Grp £26¼⊕ (23/3)
Rover Gold Mining Corp 275
Selangor Coconuts 50⊕ (25/3)
Singapore Land S$3.0⊕ (25/3)
Societe Nationale Elf Aquitaine $58.9
Source Perrier FFr 820 (25/3)
Southland Corp £37.44 $52.01 (23/3)
Square Gold & Minerals 10⊕ A$0.632 (25/3)
Sun Hung Kai HK$7.765 (24/3)
Skyline Expln Nov 550 612½
Swire Pacific B $43⅝ 3.9 3.95 (25/3)
Tandem Resources 60 ½ (25/3)
Target Petroleum A$0.783 (23/3)
Target Petroleum (A$0.15) 11⊕ 12½ (25/3)
Terrex Resources 8½
Tri-Basin Resources 62½
Valiant Cons 25 ½ 7 A$0.658
Victoria Expln 9 12
Vuitton (Louis) FFr 1140
Vulcan Minerals 17
Walhalla Mining 70⊕ (25/3)
Wattle Gully Gold Mines 20 (20/3)
Westfield Minerals 1 55
Wong Industrial Hldgs 18½⊕ (25/3)
Zone Petroleum 5

RULE 535 (2)

Applications granted for specific bargains in securities not listed on any exchange

Airship Inds (12½p) 34 (27/3)
All England Lawn Tennis Gnd £500 Dbs 1986-90 (£862 pd) £21,500 £22,500
Alliance and Leicester Bldg Soc 9⅝pcBds 22/4/87 £99.868pc (20/3)
Anglo-Am Agric 67 8 (25/3)
Appleton (10p) 15
Arsenal FC (£1) £620 30 (25/3)
Aston Villa FA (1 vote) (£5) 500 (24/3)
Barbican (1p) 7⅛ (27/3)
Batsford (£1) 350 (27/3)
Beaverbrook Invs (5p) 150 (25/3)
Berwick Salmon Fisheries (5p) 25¾ 6 (25/3)
Bolton House Invs (5p) 65½ 6
Cedar 10¼pc Db 1991-96 $100 1pc (24/3)
Hotels and Props (10p) 161 (25/3)
Cresta (10p) 74
Dart Valley Light Rlwy (£1) 175 80 (25/3
Douglas Gas Light (£1) 225 (25/3)
Explaura (5p) 34 5 7 (24/3)
Fortronic Technology (10p) 70 (27/3)
Fraser Williams (£1) £61.40
Fredericks Place (20p) 78 (27/3)
GRI Electronics (10p) 95 (24/3)
Greenstar Hotels (10p) 31 ⅞ ⅝ (23/3)
Hard Rock Cafe (2p) 248 52
Hartley Baird (5p) 9 12
Hugin (10p) 140
ICE (1p) 500 (27/3)
Kunick Leisure (10p) 30½ 1½
Manchester Utd FC (£1) 400 (25/3)
Midland City Partnerships (10p) 570 (27/3)
Newbury Racecourse (£100) £1,125 250 (24/3)
Norton Villiers Triumph (1p) 4½ 5 ½ 6½ (25/3)
Red Rose Radio A N-V (10p) 50½ (25/3)
Severn Valley Rlwy (£1) 75 (25/3)
Southern Newspapers (£1) 270
Taddale Invests (10p) 14 5 (23/3)
Town and Country Bldg Soc 9⅞pc Bds 27/4/87 £99.877pc (20/3)
Thwaites (Daniel) (£1) 676 80 (23/3)
UTC Trading Corp (War Ord) 11 2. (5p) 27 30 (25/3)
Weetabix A (N-V) 250 (20/3)
Winchmore 70 (27/3)

FT-ACTUARIES INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS Figures in parentheses show number of stocks per section	Friday March 27 1987 Index No.	Day's Change %	Est. Earnings Yield% (Max.)	Gross Div. Yield% (ACT at 29%)	Est. P/E Ratio (Net)	xd adj. 1987 to date	Thurs March 26 Index No.	Wed March 25 Index No.	Tues March 24 Index No.	Year ago (approx.) Index No.	Highs and Lows Index 1986/87 High		Low		Since Compilation High		Low	
1	CAPITAL GOODS (208)	876.83	—	7.29	3.05	17.38	2.72	876.62	880.03	879.42	736.25	888.03	25/3/87	567.56	14/1/86	888.03	25/3/87	50.71	13/12/74
2	Building Materials (27)	1089.77	+0.4	7.18	3.03	17.51	8.72	1085.72	1085.59	1082.87	844.79	1089.77	27/3/87	613.05	23/1/86	1089.77	27/3/87	44.27	11/12/74
3	Contracting, Construction (29)	1491.46	+0.3	6.89	3.18	19.88	3.07	1487.57	1493.35	1489.80	1163.86	1494.84	11/3/87	911.08	23/1/86	1494.84	11/3/87	71.48	2/12/74
4	Electricals (12)	2166.42	+0.4	6.96	3.74	18.46	2.05	2158.78	2164.13	2128.49	1986.50	2166.42	27/3/87	1530.81	2/1/86	2166.42	27/3/87	84.71	25/6/62
5	Electronics (38)	1942.14	−1.7	7.68	2.31	17.21	10.44	1976.66	1998.00	2005.82	1666.54	2013.38	3/3/87	1365.94	29/9/86	2049.05	13/11/84	1229.01	8/10/85
6	Mechanical Engineering (60)	490.62	+0.6	8.12	3.53	15.73	1.54	487.69	486.81	485.55	420.69	490.62	27/3/87	316.63	23/1/86	490.62	27/3/87	45.43	5/1/75
8	Metals and Metal Forming (7)	475.35	+0.9	7.62	3.33	15.93	0.08	471.18	472.66	470.88	330.81	475.35	27/3/87	241.87	2/1/86	475.35	27/3/87	49.65	6/1/75
9	Motors (15)	336.94	+1.1	8.19	3.23	14.07	2.63	333.15	337.17	337.28	296.31	337.55	2/3/87	206.50	14/1/86	337.55	2/3/87	19.91	6/1/75
10	Other Industrial Materials (20)	1499.90	+0.9	5.92	3.33	20.17	3.29	1487.14	1488.85	1490.01	1346.60	1499.90	27/3/87	993.49	21/1/86	1499.90	27/3/87	277.55	15/1/81
21	CONSUMER GROUP (187)	1194.81	+0.5	6.13	2.72	20.98	3.03	1188.55	1200.04	1209.81	964.79	1209.81	24/3/87	739.82	14/1/86	1209.81	24/3/87	61.41	13/12/74
22	Brewers and Distillers (22)	1089.62	−0.6	7.84	3.19	16.04	3.55	1096.38	1107.56	1111.08	968.88	1111.08	24/3/87	764.25	14/1/86	1111.08	24/3/87	69.47	13/12/74
25	Food Manufacturing (25)	904.42	+0.3	7.39	3.36	17.78	3.66	901.38	900.65	908.65	702.63	908.65	24/3/87	549.51	14/1/86	908.65	24/3/87	59.67	11/12/74
26	Food Retailing (16)	2192.15	−0.4	5.76	2.53	24.13	10.13	2199.88	2204.55	2220.89	1942.53	2220.89	24/3/87	1629.03	21/1/86	2220.89	24/3/87	54.25	11/12/74
27	Health and Household Products (10)	2341.53	+2.0	4.06	1.65	28.58	0.28	2295.97	2332.32	2378.97	1596.26	2484.02	25/2/87	1175.61	14/1/86	2484.02	25/2/87	175.38	28/5/80
29	Leisure (32)	1287.83	+0.5	5.85	3.34	22.60	8.62	1281.97	1287.28	1286.73	958.85	1287.83	27/3/87	731.17	24/1/86	1287.83	27/3/87	54.83	9/1/75
31	Packaging & Paper (14)	618.63	+1.5	5.73	2.75	22.64	2.03	609.31	614.96	617.93	474.35	618.63	27/3/87	362.52	9/1/86	618.63	27/3/87	43.46	6/1/75
32	Publishing & Printing (14)	3621.27	+0.5	5.61	3.22	22.94	5.18	3602.91	3634.53	3652.09	2407.02	3683.48	18/2/87	1834.16	9/1/86	3683.48	18/2/87	55.08	6/1/75
34	Stores (37)	1001.99	—	6.47	2.72	21.00	1.46	1002.35	1020.59	1025.95	970.32	1041.63	10/3/87	707.79	23/1/86	1041.63	10/3/87	52.63	6/1/75
35	Textiles (17)	720.23	+0.8	7.22	2.97	15.94	0.44	714.49	717.08	719.18	573.44	720.23	27/3/87	375.50	14/1/86	720.23	27/3/87	62.66	11/12/74
40	OTHER GROUPS (87)	1002.22	+0.8	7.84	3.43	15.83	4.17	993.97	994.35	996.03	859.53	1002.22	27/3/87	696.16	21/1/86	1002.22	27/3/87	58.63	6/1/75
41	Agencies (17)	1455.97	+2.1	4.26	1.70	31.74	6.40	1425.51	1413.73	1405.98	0.0	1455.97	27/3/87	1111.16	2/1/87	1455.97	27/3/87	1111.16	2/1/87
42	Chemicals (21)	1276.11	+1.3	7.61	3.46	16.09	16.19	1260.07	1254.53	1244.94	921.46	1315.21	25/2/87	729.24	14/1/86	1315.21	25/2/87	71.20	1/12/74
43	Conglomerates (12)	1292.79	+1.5	6.77	3.41	17.48	2.13	1273.43	1278.04	1282.71	0.0	1312.54	13/3/87	1112.14	2/1/87	1312.54	13/3/87	1112.14	2/1/87
45	Shipping and Transport (11)	2014.75	+0.4	6.66	4.04	18.19	2.98	2006.72	2003.44	2005.04	1674.28	2014.75	27/3/87	1316.35	14/1/86	2014.75	27/3/87	90.80	29/6/62
47	Telephone Networks (2)	1000.41	−0.1	9.35	3.85	14.59	1.09	1001.42	1016.07	1021.62	1058.03	1050.03	4/4/86	712.14	3/10/86	1050.03	4/4/86	517.92	30/11/84
48	Miscellaneous (24)	1387.79	+0.8	8.73	3.26	12.91	3.29	1376.85	1358.83	1368.95	1050.21	1387.79	27/3/87	866.26	9/1/86	1387.79	27/3/87	60.39	6/7/75
49	INDUSTRIAL GROUP (482)	1072.76	+0.5	6.89	2.99	18.40	3.35	1067.96	1074.06	1078.55	888.47	1078.55	24/3/87	691.89	14/1/86	1078.55	24/3/87	59.01	13/12/74
51	Oil & Gas (18)	1927.41	+1.3	8.80	4.62	14.37	35.18	1901.81	1871.82	1907.72	1185.43	1927.41	27/3/87	1093.63	20/2/86	1927.41	27/3/87	87.23	29/5/62
59	500 SHARE INDEX (500)	1145.18	+0.6	7.17	3.24	17.67	6.14	1138.56	1141.48	1148.72	915.93	1148.72	24/3/87	727.53	14/1/86	1148.72	24/3/87	63.49	13/12/74
61	FINANCIAL GROUP (118)	698.81	+0.1	—	4.21	—	5.94	697.96	699.16	700.70	629.86	700.70	24/3/87	507.50	14/1/86	700.70	24/3/87	55.88	13/12/74
62	Banks (8)	733.13	—	18.04	5.21	7.61	12.84	732.83	737.64	739.86	695.18	765.82	18/2/87	517.21	5/2/86	765.82	18/2/87	62.44	12/12/74
65	Insurance (Life) (9)	975.32	−1.2	—	4.28	—	0.66	987.37	996.26	1007.33	895.93	1007.33	24/3/87	765.18	23/1/86	1007.33	24/3/87	44.88	2/1/75
66	Insurance (Composite) (7)	536.39	−0.8	—	4.43	—	5.06	540.67	538.85	542.35	516.52	571.05	2/3/87	403.56	2/1/86	571.05	2/3/87	43.96	13/12/74
67	Insurance (Brokers) (9)	1212.42	+0.8	8.69	4.52	14.87	13.35	1202.46	1200.17	1176.89	1269.85	1315.27	12/2/86	1119.12	30/12/86	1315.27	12/2/86	65.86	16/12/74
68	Merchant Banks (11)	384.60	+0.2	—	3.27	—	0.71	383.75	385.19	387.07	364.27	390.44	16/1/87	277.36	24/1/86	390.44	16/1/87	31.21	7/1/75
69	Property (48)	968.20	+0.5	4.75	3.08	27.42	1.64	963.11	959.13	956.67	748.43	968.20	27/3/87	635.84	23/1/86	968.20	27/3/87	56.01	20/4/65
70	Other Financial (26)	473.64	+2.6	6.90	3.24	18.53	2.35	461.67	459.47	458.79	362.00	473.64	27/3/87	287.55	24/1/86	473.64	27/3/87	33.29	17/12/74
71	Investment Trusts (95)	992.46	+0.1	—	2.39	—	4.64	991.17	989.56	989.81	756.47	992.46	27/3/87	633.36	14/1/86	992.46	27/3/87	71.12	13/12/74
81	Mining Finance (2)	430.54	+5.8	7.12	3.82	16.53	1.89	406.84	409.12	387.79	330.55	430.54	27/3/87	240.83	2/1/86	430.54	27/3/87	66.31	30/9/74
91	Overseas Traders (12)	910.75	+0.9	8.93	4.92	13.57	10.30	902.60	902.37	899.91	699.46	910.75	27/3/87	597.55	2/1/86	910.75	27/3/87	97.37	6/1/75
99	ALL-SHARE INDEX (727)	1025.08	+0.6	—	3.36	—	5.97	1019.40	1021.72	1026.58	832.36	1026.58	24/3/87	664.42	14/1/86	1026.58	24/3/87	61.92	13/12/74
		Index No.	Day's Change	Day's High	Day's Low	March 26	March 25	March 24	March 23	March 20	Year ago								
	FT-SE 100 SHARE INDEX ‡	2048.6	+10.8	2060.3	2040.4	2037.8	2042.9	2064.5	2033.0	2017.5	1709.7	2064.5	24/3/87	1370.1	14/1/86	2064.5	24/3/87	986.9	23/7/84

FIXED INTEREST

	PRICE INDICES	Fri March 27	Day's change %	Thurs March 26	xd adj. today	xd adj. 1987 to date
	British Government					
1	5 years	123.56	−0.04	123.99	0.38	3.21
2	5-15 years	143.82	−0.28	144.45	0.23	3.32
3	Over 15 years	152.63	−0.35	153.16	—	3.45
4	Irredeemables	167.93	−0.26	168.36	—	1.62
5	All stocks	139.67	−0.22	140.22	0.24	3.32
	Index-Linked					
6	5 years	120.33	+0.05	120.27	—	0.83
7	Over 5 years	123.05	+0.14	122.88	—	0.88
8	All stocks	122.60	+0.13	122.45	—	0.86
9	Debentures & Loans	125.64	−0.21	125.90	—	2.15
10	Preference	87.55	−0.12	87.65	—	1.56

	AVERAGE GROSS REDEMPTION YIELDS		Fri March 27	Thurs March 26	Year ago (approx.)	1986/87 Highs		Lows	
	British Government								
1	Low	5 years	8.04	7.97	8.37	10.26	20/1/86	7.37	18/4/86
2	Coupons	15 years	8.97	8.91	8.67	10.87	20/11/86	8.32	18/4/86
3		25 years	8.99	8.94	8.67	10.88	20/11/86	8.33	18/4/86
4	Medium	5 years	9.00	8.95	9.37	11.89	14/1/86	8.58	18/4/86
5	Coupons	15 years	9.16	9.10	9.09	11.23	20/11/86	8.58	18/4/86
6		25 years	9.16	9.10	9.04	10.79	20/11/86	8.58	18/4/86
7	High	5 years	9.11	9.08	9.40	12.07	20/1/86	8.73	18/4/86
8	Coupons	15 years	9.28	9.22	9.23	11.41	20/11/86	8.73	18/4/86
9		25 years	9.11	9.07	9.10	10.86	20/11/86	8.73	18/4/86
10	Irredeemables †		8.99	8.97	8.74	10.51	20/11/86	8.38	18/4/86
	Index-Linked								
11	Inflat'n rate 5%	5 yrs	2.42	2.41	4.07	5.18	14/1/86	2.39	24/3/87
12	Inflat'n rate 5%	Over 5 yrs	3.31	3.31	3.74	4.01	20/1/86	3.26	13/5/86
13	Inflat'n rate 10%	5 yrs	1.32	1.30	3.00	4.23	14/1/86	0.85	24/3/87
14	Inflat'n rate 10%	Over 5 yrs	3.17	3.17	3.58	3.85	14/1/86	3.09	19/5/86
15	Debs &	5 years	9.70	9.67	10.18	12.76	27/1/86	9.50	23/3/87
16	Loans	15 years	9.98	9.95	11.09	11.93	4/2/86	9.79	22/4/86
17		25 years	10.02	9.99	10.00	11.91	20/11/86	9.69	17/4/86
18	Preference †		10.66	10.65	11.31	12.18	24/7/86	10.30	9/6/86

‡ Opening index 2040.4; 10 am 2048.1; 11 am 2047.7; Noon 2053.6 1 pm 2057.5; 2 pm 2058.2; 3 pm 2058.3; 3.30 pm 2052.9; 4 pm 2051.5.

Equity section or group	Base date	Base value	Equity section or group	Base date	Base value	Equity section or group	Base date	Base value
Agencies	31/12/86	1114.07	Overseas Traders	31/12/74	100.00	Mining Finance	29/12/67	100.00
Conglomerates	31/12/86	1114.07	Mechanical Engineering	31/12/71	153.84	All Other	10/04/62	100.00
Telephone Networks	30/11/84	517.92	Industrial Group	31/12/70	128.20	British Government	31/12/75	100.00
Electronics	30/12/83	1646.65	Other Financial	31/12/70	128.06	Do. Index-linked	30/04/82	100.00
Other Industrial Materials	31/12/80	287.41	Food Manufacturing	29/12/67	114.13	Debs & Loans	31/12/77	100.00
Health/Household Products	30/12/77	261.77	Food Retailing	29/12/67	114.13	Preference	31/12/77	76.72
Other Groups	31/12/74	63.75	Insurance Brokers	29/12/67	96.67	FT-SE 100 Index	30/12/83	1000.00

† Flat yield. A list of constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London EC4, price 15p, by post 32p.

CONSTITUENT CHANGES: Pacific Investment Trust (71) has been deleted and replaced by Tops Estates (69). NAME CHANGE. APU Holdings (06) has changed its name to APU Baker (06)

WORLD MARKETS

FT-ACTUARIES WORLD INDICES

Jointly compiled by the Financial Times, Goldman, Sachs & Co., and Wood Mackenzie & Co. Ltd., in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS	THURSDAY MARCH 26 1987					DOLLAR INDEX		
Figures in parentheses show number of stocks per grouping	US Dollar Index	Day's Change %	Pound Sterling Index	Local Currency Index	Gross Div. Yield	1986/87 High	1986/87 Low	Year ago
Australia (94)	121.24	+0.9	111.93	115.92	2.97	121.24	70.18	85.24
Austria (16)	93.44	−0.2	86.27	88.72	1.75	101.62	70.60	76.88
Belgium (47)	117.52	−0.5	108.49	110.27	4.17	118.92	53.75	71.99
Canada (132)	133.25	−0.4	123.02	126.26	2.20	134.35	86.58	96.48
Denmark (39)	115.00	+1.7	106.17	107.57	2.32	124.10	87.87	99.21
France (121)	120.79	+0.3	111.51	115.25	2.26	120.79	57.72	81.21
West Germany (99)	89.43	+2.1	82.56	84.96	2.12	100.33	74.48	82.37
Hong Kong (45)	110.20	−1.7	101.74	110.40	2.87	114.71	62.87	65.94
Ireland (14)	130.68	+0.1	120.65	126.12	3.37	130.68	62.33	83.26
Italy (76)	102.56	−0.5	94.68	99.80	1.52	108.30	46.07	74.29
Japan (458)	127.80	+0.5	117.99	120.45	0.54	127.80	49.46	65.92
Malaysia (35)	133.11	−0.4	122.88	129.24	2.94	135.38	66.67	77.50
Mexico (14)	142.91	−2.4	131.93	173.20	1.17	146.47	43.00	58.62
Netherland (38)	112.69	+0.6	104.03	106.16	4.18	115.51	74.14	81.86
New Zealand (27)	96.26	−0.8	88.87	90.55	3.00	100.59	47.37	60.09
Norway (25)	126.90	−0.1	117.15	118.50	1.94	127.09	90.02	101.96
Singapore (27)	122.51	+0.2	113.10	120.96	3.08	122.51	55.94	59.44
South Africa (61)	164.57	+1.2	151.93	107.40	3.61	164.57	69.06	103.01
Spain (43)	110.04	−0.1	101.59	107.38	3.80	121.31	45.00	73.50
Sweden (33)	114.75	+0.2	105.94	108.30	2.22	114.75	63.35	82.25
Switzerland (52)	96.68	−0.3	89.26	91.50	1.85	104.06	69.01	76.89
United Kingdom (342)	132.34	−0.3	122.17	122.17	3.47	133.88	75.39	97.12
USA (580)	123.77	+0.2	114.26	123.77	2.93	124.06	85.46	99.65
Europe (945)	114.46	+0.2	105.67	107.52	2.90	114.57	69.36	86.32
Pacific Basin (686)	126.85	+0.4	117.11	119.84	0.70	126.85	51.10	66.56
Euro–Pacific (1631)	121.92	+0.3	112.55	114.91	1.53	121.92	58.45	74.34
North America (712)	124.27	+0.1	114.73	123.91	2.89	124.60	85.61	99.48
World Ex. US (1838)	122.80	+0.3	113.37	115.30	1.58	122.80	60.02	75.43
World Ex. UK (2076)	122.30	+0.3	112.91	118.28	1.97	122.30	69.65	83.81
World Ex. So. Af. (2357)	122.92	+0.3	113.48	118.69	2.10	122.92	69.95	84.83
World Ex. Japan (1960)	120.99	+0.1	111.70	117.69	2.90	121.08	79.87	94.04
The World Index (2418)	123.18	+0.3	113.72	118.62	2.11	123.18	70.14	84.94

Base values: Dec 31, 1986 = 100

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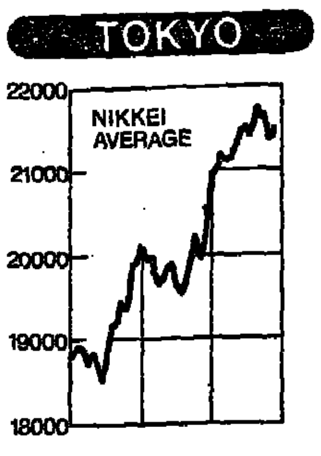
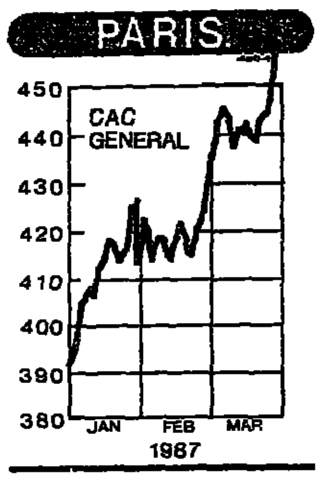
Latest indices not available for this edition

TOKYO



PARIS



EUROPEAN OPTIONS EXCHANGE

Series		May 87 Vol.	Last	Aug 87 Vol.	Last	Nov 87 Vol.	Last	Stock
GOLD C	$400	701	25	1259	35A	4	43.50	$417
GOLD C	$420	757	11	1567	22.90	16	29	"
GOLD C	$440	164	4.80	39	13.50	265	20.50	"
GOLD C	$460	30	2.20	52	7.50	—	—	"
GOLD C	$480	3	0.50	—	—	—	—	"
GOLD P	$360	—	—	90	1	—	—	"
GOLD P	$390	131	1.90	20	4.50	—	—	"
GOLD P	$400	200	3	221	7	—	—	"
GOLD P	$420	190	9	—	—	102	15	"
		Jun 87		Sep 87		Dec 87		
SILVER C	$600	—	—	10	35	—	—	$608
SILVER C	$700	15	10	—	—	10	20	"
£/Fl C	Fl.320	55	11A	—	—	—	—	Fl.330.38
£/Fl C	Fl.325	—	—	3	8.50A	—	—	"
£/Fl C	Fl.330	—	—	50	6	—	—	"
		Apr 87		May 87		Jun 87		
$/Fl C	Fl.205	49	2.80	27	3.40	22	3.90	Fl.205.82
$/Fl C	Fl.210	53	0.90	43	1.50	512	2.30B	"
$/Fl C	Fl.215	—	—	—	—	49	1	"
$/Fl P	Fl.205	11	1.90	7	2.60B	15	3.70	"
$/Fl P	Fl.210	7	5	—	—	—	—	"
		Sep 87		Dec 87		Mar 88		
$/Fl C	Fl.205	—	—	5	7.20	—	—	Fl.205.82
$/Fl C	Fl.210	500	3.70	—	—	—	—	"
$/Fl C	Fl.215	3	2.50	—	—	—	—	"
$/Fl C	Fl.220	3	1.40	5	2.50	—	—	"
$/Fl C	Fl.235	—	—	20	0.60	—	—	"
$/Fl P	Fl.190	1	1.15	6	2.50	—	—	"
		Apr 87		Jul 87		Oct 87		
ABN C	Fl.520	506	10.50	111	19.60	12	26B	Fl.521
ABN P	Fl.500	290	3.50	45	13	10	20.50	"
AEGON C	Fl.90	299	2	213	4	62	5.20	Fl.89
AEGON P	Fl.85	3	1	68	3	—	—	"
AHOLD C	Fl.110	47	2.20	58	6	33	7.50	Fl.109.10
AHOLD P	Fl.110	62	2.50B	6	6.10	—	—	"
AKZO C	Fl.150	668	1.90	528	4.30	50	7	Fl.145
AKZO P	Fl.150	14	6.50	203	12	—	—	"
AMEV C	Fl.70	178	1B	68	2.40	42	3.30	Fl.66.30
AMEV P	Fl.60	14	0.50	—	—	23	2.50	"
AMRO C	Fl.80	230	3.10	51	5.50	9	6.60	Fl.81.70
AMRO P	Fl.80	275	2	37	3.50	—	—	"
ELSEVIER C	Fl.250	31	5	18	13.50	—	—	Fl.249.50
ELSEVIER P	Fl.250	34	7.50	10	12.70	—	—	"
GIST-BROC. C	Fl.45	115	0.80	129	2	62	3.50	Fl.43.50
GIST-BROC. P	Fl.40	195	0.40	17	1.90	25	3	"
HEINEKEN C	Fl.180	73	2	79	5.40	11	6.80	Fl.173
HEINEKEN P	Fl.170	106	2.60	39	6	—	—	"
HOOGOVENS C	Fl.35	276	2.20	43	3.70	2	5	Fl.34
HOOGOVENS P	Fl.35	1037	3.20	235	4.20B	78	5.40A	"
KLM C	Fl.45	44	0.30	297	1	49	1.80	Fl.39.60
KLM P	Fl.40	125	1.20	73	2.40	205	3.80	"
NED. LLYOD C	Fl.180	86	2.50	39	4.90	—	—	Fl.174
NED. LLYOD P	Fl.160	23	1.70	6	5.50	2	7	"
NAT. NED C	Fl.75	210	2	344	4	93	4.60	Fl.73.80
NAT. NED. P	Fl.75	10	3A	40	4.70	135	5.20	"
PHILIPS C	Fl.50	911	1.20	321	2.90	169	4.30	Fl.50.10
PHILIPS P	Fl.45	60	0.30	90	1.10	—	—	"
ROYAL DUTCH C	Fl.230	623	19	452	19.50	128	20	Fl.248.10
ROYAL DUTCH P	Fl.240	276	2.50	166	8.60	183	12.80	"
ROBECO C	Fl.100	—	—	3	3.10	—	—	Fl.102.70
ROBECO P	Fl.105	25	4.50	—	—	—	—	"
UNILEVER C	Fl.580	922	11	427	20	113	28.10	Fl.583.80
UNILEVER P	Fl.580	222	10	111	22.50	25	26	"

TOTAL VOLUME IN CONTRACTS: 48,311

A=Ask B=Bid C=Call P=Put

TRADING VOLUME IN MAJOR STOCKS

The following is based on trading volume for Alpha securities dealt through the SEAQ system yesterday until 6 pm.

Stock	Volume 000's	Closing price	Day's change	Stock	Volume 000's	Closing price	Day's change
ASDA-MFI	2,000	155	−1	Ladbroke	940	438	−3
Allied Lyons	1,100	401	−2	Land Securities	2,600	411	+2
Amstrad	6,000	182	−3	Legal & Gen.	766	288	−7
Assoc. Brit. Foods	444	368	−3	Lloyds Bank	1,200	467	−2
BAT	4,900	548	+7	Lonrho	5,800	286	+10
BET	1,900	510	—	MEPC	800	395	+7
BOC	455	454	−2	Marks & Spncr	4,600	225	—
BPB Inds	172	711	—	Midland Bank	447	642	—
BPCC	362	346	+3	NatWest Bank	687	599	−5
BTR	3,600	334	+3	Pearson	227	598	—
Barclays	1,300	509	—	P & O	924	640	—
Bass	255	928	−7	Pilkington Bros	466	808	+2
Beecham	2,300	575	+15	Plessey	2,400	249	−2
Blue Circle	219	811	+8	Prudential	462	897	−15
Boots	1,300	288	−1	Racal	4,600	231	−3
Brit. Airways	8,000	130	+1	Rank Org.	445	699	−4
Brit. Aero	2,600	646	−2	RHM	2,900	324	−3
Brit. Gas	19,000	93¼	+½	Reckitt & Col	94	995	+4
Britoil	7,900	245	+10	Redland	797	487	+9
BP	9,500	936	+18	Reed Intl.	323	403	−5
Brit. Telecom	4,200	255	−1	Reuters	1,900	729	+21
Bunzl	262	241	+5	RMC	42	842	—
Burton	963	306	+1	RTZ	4,400	814	+55
Cable & Wire	2,100	374	+4	Rowntree Mac	698	497	−1
Cadbury Schwps	5,200	254	+4	Ryl Bnk of Scotland	654	334	—
Coats Viyella	895	599	+2	Royal Insurance	562	932	—
Comm. Union	5,300	329	−4	STC	12,000	259	−4
Cons. Gold	1,100	949	+37	Saatchi & Saatchi	1,200	668	+10
Cookson	401	610	+2	Sainsbury	452	502	—
Courtaulds	1,100	442	+3	Scott & Newcastle	142	236	+1
Dee Corpn	6,400	237½	−2½	Sears	6,200	132	−2
Dixons Grp	3,600	401	+10	Sedgwick	1,400	338	+5
English China Clays	619	418	+10	Shell Trans	3,800	£12⅝	+⅛
Fisons	2,100	652	−6	Smith & Nephew	5,000	169½	+2
Gen. Accident	29	949	−8	Standard Chart.	1,700	837	+21
Gen. Elect	12,000	212	−7	Storehouse	1,000	305	−3
Glaxo	1,100	£15¼	+¼	Sun Alliance	257	794	−13
Globe Investment	170	158	—	TSB	10,000	86½	+1½
Granada	316	348	−1	Tarmac	402	536	—
Grand Met	2,100	476	−3	Tesco	242	480	−2
Gus "A"	136	£12¾	—	Thorn EMI	8,600	623	+22
Guardian R.E.	185	917	−7	Trafalgar House	1,300	350	+4
GKN	240	329	−1	T'house Forte	3,400	243	+1
Guinness	3,100	330	−3	Unigate	540	401	−3
Hammerson Prop	357	530	−3	Unilever	245	£26⅛	+⅛
Hanson Trust	25,000	167	+4	United Biscuits	859	288	−1
Hawker Sidd	40	533	−1	Wellcome	3,800	448	+14
Hillsdown Hlgs	1,200	271	+1	Whitbread 'A'	1,200	331	−2
ICI	3,300	£13¾	+¼	Willis Faber	2,100	432	—
Imp. Cont. Gas	292	726	−2	Woolworth	1,200	830	−5
Jaguar	1,510	598	+12				

LEADERS AND LAGGARDS

Percentage changes since December 31 1986 based on Thursday, March 26 1987

Gold Mines Index	+43.59	Motors	+22.33
Health and H'sehold Products	+39.21	Food Manufacturing	+22.09
Publishing and Printing	+32.78	All-Share Index	+22.01
Metals and Metal Forming	+32.37	Electricals	+21.81
Textiles	+31.97	Other Groups	+21.07
Leisure	+29.97	Stores	+20.02
Electronics	+28.04	Property	+19.39
Agencies	+27.96	Mining Finance	+18.62
Shipping and Transport	+27.74	Insurance (Composite)	+18.43
Other Industrial Materials	+26.07	Telephone Networks	+17.27
Oils and Gas	+25.83	Food Retailing	+16.95
Capital Goods	+25.82	Brewers and Distillers	+16.88
Building Materials	+25.60	Overseas Traders	+15.39
Contracting, Construction	+25.44	Conglomerates	+14.30
Consumer Group	+25.00	Investment Trusts	+13.92
Chemicals	+24.90	Insurance (Life)	+13.59
500 Share Index	+24.35	Financial Group	+13.35
Industrial Group	+24.12	Merchant Banks	+10.96
Packaging and Paper	+23.97	Insurance Brokers	+ 6.82
Mechanical Engineering	+23.83	Banks	+ 6.02

RISES AND FALLS ON THE WEEK

	Yesterday Rises	Falls	Same	On the week Rises	Falls	Same
British Funds	13	93	7	82	458	25
Corporations, Dom. and Foreign Bonds	0	22	46	43	85	210
Industrials	554	456	528	2,987	2,170	2,533
Financial and Props.	195	122	267	1,142	584	1,207
Oils	36	19	57	217	121	222
Plantations	3	1	10	17	14	39
Mines	60	36	84	413	135	352
Others	74	70	55	403	334	254
Totals	936	819	1,054	5,304	3,901	4,842

BASE LENDING RATES

	%		%		%
ABN Bank	10	● Charterhouse Bank	10	● Morgan Grenfell	10
Adam & Company	10	Citibank NA	10	Mnt Credit Corp. Ltd.	10½
Allied Arab Bk Ltd	10	Citibank Savings	*12.45	Nat Bk. of Kuwait	10
Allied Dunbar & Co	10	City Merchants Bank	10	National Girobank	10
Allied Irish Bank	10	Clydesdale Bank	10	Nat Westminster	10
American Exp. Bk	10	Comm. Bk. N. East	10	Northern Bank Ltd	10
Amro Bank	10	Consolidated Cred	10	† Norwich Gen. Trust	10
Henry Ansbacher	10	Co-operative Bank	*10	PK Finans. Intl (UK)	10½
ANZ Banking Group	10	Cyprus Popular Bk	10	Provincial Trust Ltd	12
Associates Cap Corp	11	Duncan Lawrie	10	R. Raphael & Sons	10
Authority & Co Ltd	10½	E. T. Trust	12	Roxburghe G'rantee	10½
Banco de Bilbao	10	Equator'l Tst C'p plc	10	Royal Bk of Scotland	10
Bank Hapoalim	10	Exeter Trust Ltd	10½	Royal Trust Bank	10
Bank Leumi (UK)	10	Financial & Gen. Sec	10	Standard Chartered	10
Bank Credit & Comm	10	First Nat. Fin. Corp	11½	Trustee Savings Bnk	10
Bank of Cyprus	10	First Nat. Sec. Ltd	11½	UDT Mortgage Exp.	*12.25
Bank of Ireland	10	● Robert Fleming & Co	10	United Bk of Kuwait	10
Bank of India	10	Robert Fraser & Ptrs	11½	United Mizrahi Bank	10
Bank of Scotland	10	Grindlays Bank	‡10	Unity Trust PLC	9½
Banque Belge Ltd	10	● Guinness Mahon	10	Westpac B'nking Corp	10
Barclays Bank	10	HFC Trust & Savings	10	Whiteaway Laidlaw	10½
Benchmark Tst Ltd	10	● Hambro Bank	10	Yorkshire Bank	10
Beneficial Trust Ltd	11½	Heritable & Gen. Tst	10		
Berliner Bank AG	10	● Hill Samuel	§10		
Brit. Bk. of Mid. East	10	C. Hoare & Co	10		
Brown Shipley	10	Hongkong & Shangh'	10		
Business Mortgage Tst	10	Lloyds Bank	10		
CL Bank Nederland	10	Mase Westpac Ltd	10		
Canada Permanent	10	Meghraj & Sons Ltd	10		
Cayzer Ltd	10	Midland Bank	10		

● Members of the Accepting Houses Committee. * 7-day deposits 5.35%. Savewise 8.03%. Top Tier—£2,500+ at 3 months' notice 9.38%. At call when £10,000+ remains deposited. ‡ Call deposits £1,000 and over 5¼% gross. ¶ Mortgage base rate. § Demand deposit 5.35%. Mortgage 12¼%.

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FINANCIAL TIMES CONFERENCES

THE REGULATORY ISSUES FACING FOREIGN BANKS IN LONDON

27 April, 1987

Barber-Surgeons' Hall, London

The Banking Bill and the proposals of the Bank of England on internal control and accounting systems will have major implications for foreign banks with branches in Britain. The Financial Times and Deloitte Haskins + Sells are joining forces to arrange a specialist Seminar on this significant subject. The meeting will be chaired by Mr Geoffrey W Taylor, Chairman of Daiwa Europe Finance plc and the other speakers are:

Mr Richard Farrant
Senior Manager, Banking Supervision
Bank of England

Mr Michael Gabitass
Senior Vice President
Swiss Bank Corporation

Mr Paul J Maloy
Senior Vice President
Manufacturers Hanover Trust Company

Mr Shaun Pitt
Partner, Banking Industry Group
Deloitte Haskins + Sells

Mr Kevin Lee
Manager, Treasury and Trading Administration
Baring Brothers & Co Limited

Mr John High
Partner, Computer Services Division
Deloitte Haskins + Sells

A FINANCIAL TIMES SEMINAR
in association with
Deloitte Haskins+Sells

THE REGULATORY ISSUES FACING FOREIGN BANKS IN LONDON
To: Financial Times Conference Organisation
Minster House, Arthur Street, London EC4R 9AX
Tel: 01-621 1355 Tlx: 27347 FTCONF G Telefax: 01-623 8814

Name
Position
Company
Address
Tel: Tlx:
Type of Business:

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FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

[illegible]

FT UNIT TRUST INFORMATION SERVICE

MGM Unit Managers Ltd
MGM House, Heene Rd, Worthing 01-623 8211

High Inc.	279.2	297.0	+1.8	5.30
(Accum Units)	337.9	359.4	+2.2	5.30
UK Growth	343.1	365.0	+1.1	2.60
(Accum Units)	362.4	385.5	+1.1	2.60

MLA Unit Trust Management
1 Sessions Hse Sq, Maidstone ME14 1XX 0622 674751

MLA Gen. Tst.	41.1	43.5	+0.5	1.74
MLA Income Trust	55.5	58.8	+0.9	3.88
MLA Int.	62.0	65.7	+1.0	0.81
MLA Gilt Unit Tst	24.7	26.1	+0.1	10.00
MLA European Trust	34.7	36.7	+0.5	0.69
MLA American Tst	28.1	29.7	+0.2	0.84

ManuLife Management Ltd
St George's Way, Stevenage 0438 356101

Gilt&Fxd Int.	119.5	123.7	.....	7.09
Growth Units	99.2	105.4	.....	2.45
High Income Unit	138.6	147.3	.....	3.94
High Yielding Gilt Uts	60.2	62.9	.....	8.06
Intl Growth Unit Tst	153.1	162.7	.....	0.33
UK Smaller Cos.	107.6	114.5	.....	1.6
North American	85.8	91.2	.....	0.36
Far East	119.4	126.9	.....	0.02

Mayflower Management Co. Ltd
No. 1 London Bridge, London, SE1 9QU 01-378 7000

Income March 30	310.5	330.3	+11.4	3.38
General March 30	244.2	259.8	+4.6	1.89
International March 30	153.5	163.3	+2.5	0.65
Global Inc Fd March 30	49.6	52.8	.....	5.15

Mencap Unit Trust Mngrs Ltd (a)(c)(g)
Unicorn Hse, 252 Romford Rd, E7 01-534 5544

Mencap	174.0	184.1	+0.5	3.98

Mercury Fund Managers Ltd
33 King William St, EC4R 9AS 01-280 2060

American Growth	108.8	115.1	-0.1	2.35
(Accum Units)	113.4	119.9	.....	2.35

Perpetual Unit Trust Mngmt. (a)
48 Hart Street, Henley on Thames 0491 576868

International Growth	314.1	335.5	+2.4	0.96
Income	239.5	255.1	+3.0	3.70
Worldwide Recovery	172.1	185.7	+1.10	1.61
American Growth	78.4	83.7	-0.1	0.87
Intl. Emerging Cos.	96.2	102.8	+0.9	0.71
Far East Growth Fd	96.0	102.6	+0.09	0.77
European Growth Fd	64.3	68.7	+0.80	1.03

Prolific Unit Trust Managers Limited.
222 Bishopsgate, London EC2 01-247 7544/7

Prolific American Inc.	60.7	64.6	+0.1	3.73
Prolific C'ml & Gilt	116.2	123.7	+0.3	4.84
Prolific Euro Gth Inc	51.2	54.5	+0.4	2.66
Prolific Extra Inc.	117.0	124.9	+0.9	3.58
Prolific Far East	202.2	216.3	+3.0	—
Prolific High Inc	80.4	86.0	+0.6	3.99
Prolific Intl.	145.1	154.6	+0.8	0.31
Prolific N. Amer.	141.0	150.9	.....	—
Prolific Spec. Sits	95.8	102.0	+0.6	-0.90
Prolific Technology	143.0	153.0	+1.0	—

Providence Capital Fd. Mgrs. Ltd
30 Uxbridge Road, London W12 8PG 01-749 9111

Japan Inc.	89.7	95.0	+2.0	0.00
Japan Acc.	89.9	95.2	+2.0	0.00
Worldwide Inc.	79.0	83.7	+0.7	1.07
Worldwide Acc.	80.6	85.3	+0.8	1.07
European Tst Inc	93.6	99.6	+0.9	0.35
European Tst Acc.	94.2	100.5	—	0.35
North American Inc	69.1	73.2	+0.1	1.16
North American Acc.	70.1	74.2	+0.1	1.16
UK Equity Inc.	93.3	98.2	+0.2	1.85
UK Equity Acc.	87.1	92.2	+0.2	1.85
UK High Inc Eqty Inc	59.5	63.0	+0.6	4.88
UK High Inc Eqty Acc.	60.7	64.3	+0.7	4.88
Hong Kong Trust	46.6	49.4	-0.3	0.36
Swiss Equities Trust	45.2	47.9	+0.3	1.92

Provident Mutual Unit Trust Managers Ltd.
25-31 Moorgate, London, EC2R 6BA 01-588 3963

PM Equity Growth	96.4	102.1	-0.1	0.70
PM Income and Growth	86.4	92.0	.....	3.45
PM N American Growth	55.7	59.2	-0.5	0.32
PM European Growth	47.2	50.2	+0.1	0.60
PM Japan Growth	59.3	63.0	+1.0	0.43
PM Overseas Growth	53.0	56.3	-0.2	0.21

INSURANCES

FT UNIT TRUST INFORMATION SERVICE

M & G Group
Three Quays, Tower Hill, EC3R 6BQ 01-626 4588

Amer Bond (Acc)	217.4	228.9	+0.3	–
Amer Rec Bond (Acc)	274.8	288.6	-0.2	–
Amer Smlr Co Bd (Acc)	118.7	124.8	+0.7	
Australasian Bd (Acc)	173.5	182.2	-1.5	
Commodity Bond (Acc)	180.1	189.2	+0.2	–
Deposit Bond (Acc)	221.8	233.0		–
Equity Bond (Acc)	656.1	689.0	+1.0	–
Equity Bond Bonus	277.3	291.3	+0.5	–
European Bond (Acc)	181.3	190.5	+0.3	–
Extra Yld Bd (Acc)	370.1	388.7	+5.6	
Far Eastern Bond (Acc)	146.8	154.2	+0.1	–
Gilt Bond (Acc)	260.6	273.7	+0	
Gold Bond (Acc)	143.8	151.1		
High Yield Bond (Acc)	247.8	260.3	+0.9	+0-
Index-Linked GiltBd(Acc)	126.5	132.9	+0.2	
Internl Bond (Acc)	400.0	420.1	+0.9	–
Internl Inc Bond (Acc)	130.0	136.6	+0.1	–
Japan Bond (Acc)	211.2	221.8	+4.9	–
Japan Smaller Co (Acc)	147.8	155.3	+2.4	–
Managed Bond (Acc)	480.9	505.1	-1.0	–
Property Bond (Acc)	285.7	300.0	....	–
Recovery Bond (Acc)	365.5	384.1	-0.8	–

Pensions Funds

American (Cap)	338.1	355.1	+1.7	–
American (Acc)	469.3	492.8	+2.4	–
Building Soc (Cap)	93.6	98.4	...	–
Building Soc (Acc)	129.9	136.5	...	–
Deposit (Cap)	153.8	161.6	+0.1	–
Deposit (Acc)	213.4	224.2	...	–
European (Cap)	138.8	145.9	+0.4	–
European (Acc)	192.7	202.4	+0.4	–
Equity (Cap)	569.1	597.7	+5.1	–
Equity (Acc)	564.3	592.6	...	–
Gilt (Cap)	245.6	258.0	-1.9	–
Gilt (Acc)	341.0	358.1	-2.6	–
Gold (Cap)	100.5	105.7	...	–
Gold (Acc)	139.6	146.6	...	–
Index-Linked (Cap)	95.9	100.8	+0.5	–
Index-Lnkd Gilt (Acc)	133.2	139.9	+0.7	–
International (Cap)	111.4	117.1	+0.9	–
International (Acc)	154.6	162.5	+1.2	–
Intnl Inc (Cap)	107.6	113.1	+0.3	–
Intl Inc (Acc)	149.4	156.9	+0.4	–
Japan (Cap)	129.4	136.0	+1.9	
Japan (Acc)	179.7	188.8	+2.8	
Managed (Cap)	311.2	326.8	+0.6	
Managed (Acc)	431.9	453.6	+0.9	

NM Schroder Life Assur.—Contd.

Smaller Companies	370.5	390.0	+1.2	–
Tokyo	351.6	370.1	+7.3	–
UK Equity	361.9	380.9	-1.5	–
American Pension	279.3	294.0	+0.6	–
Australian Pension	205.4	216.2	+3.0	–
CCM Vanguard Pension	164.4	173.0	-0.5	–
Equity Pension	596.0	627.3	+0.9	–
European Pension	241.0	253.6	+1.3	–
Far Eastern Growth Pen	138.5	146.2	+0.7	–
Fixed Interest Pension	284.6	299.5	-1.3	–
Global Mngd Pension	139.1	146.4	-0.1	–
Gold Pension	127.4	134.1	+2.1	
Income Acc Pension	220.3	231.9	0.3	
Index-Linked Pension	172.4	181.4	+0.3	
Intnl Inc Pen	363.5	382.9	+5.9	
Managed Pension	1,213.2	1,277.0	-2.4	
Property Pension	267.6	281.6		
Residential Prop Pen	111.7	117.5		–
Singapore & Malay. Pen	159.6	168.0	+0.3	–
Smaller Cos Pension	180.0	189.4	+0.4	–
Special Exempt	317.4	334.1	+1.3	–
Tokyo Pension	409.8	431.3	+11.8	–
UK Equity Pension	203.5	214.2	-1.1	–

Prices: Life Series 4 Acc; Pension Series C Acc. March 26

National Mutual Life
5 Bow Churchyard, London EC4M 9DH 01-236 1566

Managed Fund	189.7	199.7	...	–
Managed Prospect Fund	145.8	153.5	...	–
UK Equity Fd	223.5	236.3	...	–
Fixed Interest	148.6	156.5	...	–
Pacific	184.8	194.6	...	–
North American	118.1	124.4	...	–
Pens. Managed	223.8	235.6	...	–
Pens. UK Equity	267.2	281.3	...	–
Pens. Overseas Equity	302.9	318.9	...	–
Pens. Property	116.8	123.0	..	–
Pens. Fixed Interest	159.9	168.4		–
Pens. Index Linked	123.6	130.2		–
Pens. Deposit	141.9	149.4		–
P.R.P. UK Equity	115.5	121.6		–
P.R.P. Overseas Equity	107.1	112.8		–
P.R.P. Fixed Interest	108.1	113.8		
P.R.P. Property	96.0	101.1		
P.R.P. Index Linked	111.0	116.9		
P.R.P. Deposit	97.3	102.5		
P.R.P. Managed	111.5	117.4		

M&G Assurance
Manufacturers Life Insurance Co (UK)
Merchant Investors Assurance
Municipal Life Assurance Ltd
NEL Britannia Assce Co Ltd
NEL Pensions Ltd
NM Schroder Life Assurance Ltd
National Mutual of Australasia
National Provident Institution
Norwich Union Asset Management Ltd
Norwich Union Life Insurance Soc.
Pearl Assurance (Unit Funds) Ltd
Phoenix Assurance Co Ltd
Pioneer Mutual Insurance Co Ltd
Premium Life Assurance Co Ltd
Property Equity & Life Ass. Co
Property Growth Assur Co Ltd
Providence Capital Life Assc. Co Ltd
Provident Life Assoc Ltd
Provident Mutual Life Assc. Assn.
Provincial Life Assurance Co Ltd
Prudential Assurance Co
Prudential Pensions Limited
Regency Life Assurance Co Ltd
Reliance Mutual
Royal Heritage Life Assurance Ltd
Royal Heritage Life Assur.—Contd.
Royal Life Insurance Ltd
Save & Prosper Group
Scottish Amicable Investments
Scottish Equitable Life Assce. Soc.
Scottish Life Investments
Scottish Mutual Assurance Society
Scottish Mutual Investments
Scottish Provident Institution
Scottish Widows' Group
Scottish Widows Group—Contd.
Shield Assurance Ltd
Skandia Life Assurance Co Ltd
Standard Life Assurance Company
Sun Alliance Insurance Group
Sun Life of Canada (UK) Ltd
Sun Life Unit Assurance Ltd
Sun Life Unit Assur.—Contd.
Swiss Life Pensions Ltd
TSB Life Ltd
Target Life Assurance Co Ltd
Teachers' Assurance Company Ltd
Transatlantic Life Assur Co Ltd
Trident Life Assurance Co Ltd
UK Life Assurance Co Ltd
UK Provident
Vanbrugh Life Assurance
Vanbrugh Pension Limited
Wesleyan & General Assurance Soc
Windsor Life Assur Co Ltd

MANAGEMENT SERVICES
David M. Aaron (Personal Fin. Plnrs.) Ltd
The Analysis Group PLC
Ashville Insurance Brokers Ltd
Bryan Wells & Partners Ltd
Chase de Vere Investments Ltd
Dubarry Calne Financial Mgt. Ltd
FPS Management Ltd
Fitzgerald Ltd
First Financial Services PLC
Investment Portfolio Services Ltd

Johnson Fry Plc
Knight Williams & Company Ltd
Lamont & Partners Ltd
Management & Executive Ltd
Marsh Financial Management Ltd
Noble Lowndes & Partners Ltd
The Normanstar Group
O'Halleran & Co/Countrywide
PBR Fund Management Ltd
The Parchester Group
Sharp (Albert E.) & Co
Towry Law & Co
University Medical General Ltd
J. D. Ward & Co Ltd
Yorkshire & Lancashire Investment Mgt.

OFFSHORE AND OVERSEAS
Actibonds Investment Fund SA
Adig Investment
Albany Fund Management Limited
Alexanders Rouse (Bermuda) Ltd
Alliance Capital Management Intl. Inc.
Allied Dunbar International Fund Mgrs.
Allied Irish Fund Managers (CI) Ltd
Anglo-Swiss Assets Management Ltd
Asset Global Funds Ltd
BAII Multicurrency (SICAV)
BIA Bond Investments AG
BNP Int (Jersey) Ltd
John Baer Bank & Trust Co Ltd
Bankers Brandt Guernsey Mngt. Ltd
The Baoghoh Fund
Bankamerica Trt Co (Jersey) Ltd
Banque Scandinave Fd. Mgrs. Ltd
Barclays Unicorn International
Baring Fund Managers (Guernsey) Ltd
Baring International Group
Barrington Mgmt (CI)—Barrington Fd

Bishopsgate Commodity Ser. Ltd
Brazil Capital Services Ltd
Bridge Management Guernsey Ltd
Bridge Management Ltd
Brown Shipley Fund Mgmt (CI) Ltd
Butterfield Management Co Ltd
CAL Investments (IoM) Ltd
CRC Asset Management Limited
Capital International
Cater Allen Investment Management (CI)
Charterhouse Bank
Charterhouse Fund Mngt. (C.I.) Ltd
Citibank (CI) Ltd "Citifunds"
Cortex International
Craigmount Fixed Int. Mngrs (Jersey)
Credit Suisse
DWS Deutsche Ges. F. Wertpapiersp
Daiwa Investment Trust Co Ltd
Dantrust Management (Guernsey) Ltd
Dean Witter World Wide Investment Trust SA
Delta Group
Deutscher Investment-Trust
Drexel Burnham Lambert
Dreyfus Intercontinental Inv. Fd.
Duncan Lawrie Inc. Mgt. Ltd
Dunedin Unit Trust Mgrs (Bermuda) Ltd
Dunn & Hargitt Group
EBC Trust Company (Jersey) Ltd
Ehlers (Switzerland) Invest. Mngt. SA
Equitable International Management Ltd
Equity International Management Serv's Ltd
Equity & Law International Fund Mgs Ltd
Equity & Law International Life Assur Co Ltd
Ermitage Management Ltd
Ermitage Management Cayman Ltd
Eurolife Assurance Group
S.G. Europe Obligations SA
Europe Prestige Fund SA
European Life (Channel Islands) Ltd

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FT UNIT TRUST INFORMATION SERVICE

LONDON SHARE SERVICE

BRITISH FUNDS

1986/87 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
100⅛	93⅞	Funding 6½pc 85-87	99¾xd	.....	6.52	9.43
101⅛	96½	Treas. 10pc 1987	100	−⅛	10.00	9.78
98⅞	90⅞	Treas 3pc 1987	98¼	.....	3.04	7.61
104½	99½	Treas. 12pc 1987	101⅞xd	.....	11.80	9.09
99½	92⅞	Treas 7¾pc 1985-88‡‡	99⅛	−⅛	7.81	8.73
104	96¾	Exch 10½pc '88	101⅞	−⅛	10.35	9.11
102⅞	95½	Treas 9¾pc Cv '88	100⅞	−⅛	9.68	9.10
95⅞	86⅝	Transport 3pc '78-88	95⅞	.....	3.14	6.68
102½	95⅞	Treas. 9½pc '88	100⅞xd	−⅛	9.44	9.05
107⅞	98⅞	Treas 11½pc 1989	104¼	−⅛	11.04	9.03
103½	93⅞	Treas 9½pc Cnv 1989	100⅞xd	−¼	9.43	9.10
93⅞	82⅞	Treas 3pc 1989	92⅞	−⅛	3.24	6.78
105⅞	95⅞	Treas 10½pc 1989	102¾	−¼	10.22	9.11
104⅞	94⅞	Exch 10pc 1989	101⅞	−⅛	9.81	9.07
107⅞	97	Exch 11pc 1989	104¼	−⅛	10.55	9.03
94⅞	84½	Treas 5pc 1986-89	93¾xd	−⅛	5.33	7.73
110⅞	94⅞	Exch 10¼pcCv '89	104⅞	−1⅛	9.77	8.11
114⅞	103⅞	Treas 13pc 1990‡‡	109⅞	.....	11.82	8.87
108⅞	97¼	Exch 11pc 1990‡‡	104⅞	−⅛	10.46	8.93
113⅞	101⅞	Exch. 12½pc 1990	109⅛	.....	11.45	8.91
89⅞	79⅞	Treas. 3pc 1990	89⅞	−⅛	3.34	6.70
100⅞	89⅞	Treas 8¼pc 1987-90‡‡	98⅞	−⅛	8.39	8.60
106⅞	93	Treas. 10pcCv 1990	103xd	−⅛	9.70	8.97
87⅞	76½	Exch 2½pc 1990	86⅞	−⅛	2.87	6.55
112⅞	99⅞	Treas 11¾pc 1991	108⅞	−¼	10.82	9.02
94⅞	83⅞	Funding 5¾pc '87-91‡‡	93⅞xd	−⅛	6.15	7.63
86⅞	79⅞	Treas. 3pc 1991	86⅞	−⅛	3.46	6.71
109⅞	95⅞	Treas 10pc Cv '91	106⅞	−⅛	10.24	7.95
110⅞	96⅞	Exch. 11pc 1991	107⅞xd	−⅛	11.11	8.99
116⅞	103⅞	Treas 12¾pc 1992‡‡	114⅞	−⅛	9.62	8.91
107⅞	92⅞	Treas 10pc 1992	103⅞	−⅛	9.99	8.97
		Five to Fifteen Years				
109⅞	94⅞	Treas 10½pc Cv 1992‡‡	105⅞	−⅛	9.91	8.96
117¼	101⅞	Exch. 12¼pc '92	113⅞	−⅛	10.79	9.02
123¼	106⅞	Exch 13½pc 1992	118⅞	−⅛	11.38	9.03
108	93⅞	Treas 10pc 1993‡‡	104⅞xd	−⅛	9.51	9.09
120⅞	103⅞	Treas 12½pc 1993‡‡	116⅞	−¼	10.69	8.93
92	78⅞	Funding 6pc 1993‡‡	90⅞	+⅛	6.61	7.73
128⅞	109⅞	Treas 13¾pc 1993‡‡	122⅞	−⅛	11.28	9.24
133¼	113⅞	Treas 14½pc 1994‡‡	127⅞	−¼	11.43	9.15
127¼	108⅞	Exch 13½pc 1994	121⅞xd	−⅛	11.12	9.30
106⅞	97⅞	Treas. 10pc Ln. 1994	104½	−⅛	9.57	9.12
122¼	103½	Exch. 12½pc 1994	117⅞	−⅛	10.66	9.21
104	86⅞	Treas 9pc 1994‡‡	100	−⅛	9.00	8.99
120⅞	101⅞	Treas 12pc 1995	115⅞	−⅛	10.42	9.22
81⅞	68⅞	Exch 3pc Gas 90-95	80⅞xd	−⅛	3.74	6.14
110½	92¾	Exch. 10¼pc 1995	106¼	−⅛	9.64	9.14
126⅞	106	Treas 12¾pc 1995‡‡	120⅞	−⅛	10.58	9.24
133¼	111⅞	Treas. 14pc '96	127⅞	−⅛	10.97	9.33
103⅞	86⅞	Treas 9pc 1992-96‡‡	99⅞	−⅛	9.06	9.16
142⅞	119⅞	Treas 15¼pc 1996‡‡	136⅞xd	−⅛	11.22	9.30
130½	108⅞	Exch 13¼pc 1996‡‡	124⅞	−⅛	10.66	9.25
87⅞	74½	Redemption 3pc 1986-96	86½xd	−⅛	3.44	4.67
107⅞	90⅞	Conversion 10pc 1996	104⅞	−⅛	9.53	9.20
131½	108⅞	Treas 13¼pc 1997‡‡	125⅞	−⅛	10.57	9.24
112⅞	93½	Exch 10½pc 1997	108⅞	−¼	9.70	9.21
101⅞	84⅞	Treas 8¾pc 1997‡‡	97⅞	−⅛	8.97	9.10
43⅞	40	Tr. 8¾pc 1997 B (40pd)●	41	−⅛	8.84	8.90
143	118⅞	Exch 15pc 1997	136⅞xd	−⅛	10.98	9.44
107⅞	89⅞	Exch 9¾pc 1998	103⅞	−⅛	9.41	9.20
88¼	72¾	Treas 6¾pc 1995-98‡‡	85⅞xd	−½	7.90	8.84
148⅞	123⅞	Treas. 15½pc '98‡‡	142⅞xd	−½	10.90	9.40
124⅞	102⅞	Exch. 12pc 1998	118⅞	−⅛	10.09	9.29
107¼	88⅞	Treas 9½pc 1999‡‡	102⅞	−½	9.22	9.06

Index-Linked

1986/87 High	Low	Stock (b)		Price £	+ or −	(1)	(2)
129½	115¼	Treas. 2pc '88	(297.1)	129⅞xd	+⅛	—	2.08
114⅞	99	Do. 2pc '90	(333.9)	114⅞	+⅛	1.28	2.28
96⅞	93½	Do. 2pc '92‡‡	(385.8)	96⅞	.....	2.22	2.77
127⅞	108¼	Do. 2pc '96	(267.9)	127⅞	+⅛	3.02	3.41
110⅞	94½	Do 2½pc '01	(308.8)	110⅞	+⅛	3.23	3.50
110	93¾	Do. 2½pc '03	(310.7)	109⅞	+⅛	3.20	3.45
113	96½	Do. 2pc '06	(274.1)	112⅞	+⅛	3.21	3.41
107⅞	92	Do. 2½pc '09	(310.7)	107⅞	+¼	3.18	3.37
113⅞	96¼	Do. 2½pc '11	(294.1)	113¼	+⅛	3.17	3.32
95⅞	80⅞	Do. 2½pc '13	(351.9)	94⅞	+¼	3.12	3.28
103⅞	87⅞	Do. 2½pc '16	(322.0)	103	+⅛	3.14	3.24
101⅞	85⅞	Do. 2½pc '20	(327.3)	101⅞xd	+⅛	3.08	3.21
86⅞	77¼	Do. 2½pc '24‡‡	(385.3)	86	+¼	3.04	3.16

Prospective real redemption rate on projected inflation of (1) 10% and (2) 5%. (b) Figures in parentheses show RPI base month for indexing, ie 8 months prior to issue. RPI for July 1986: 97.5 and for February 1987: 100.4 (rebased at 100 January 1987).

INT. BANK AND O'SEAS GOVT STERLING ISSUES

High	Low	Stock	Price £	+ or −	Int.	Red.
116⅞	92⅞	African Dv Bk 11¼Ln 2010	110⅞	−⅞	10.07	9.94
111	88⅞	Asian Dev Bk 10¼pcLn2009	106½xd	−1	9.62	9.53
136½	111⅞	Australia 13½pc 2010	133½	−⅞	10.11	9.81
119⅞	95⅞	Do. 11½pcLn2015	115⅞xd	−⅞	9.86	9.76
117¼	95⅞	Euro Inv Bk 11pc Ln 2002	112⅞xd	−⅞	9.74	9.39
112½	91	Do. 10⅞pc2004	108⅞	−⅞	9.59	9.41
127¼	105¼	Int-Am Dev Bk 12½pc 2003	123¼	−⅞	10.10	9.55
104½	84⅞	Do. 9¼pcLn 2015	102¼	−⅞	9.55	9.53
95	81	Mlysia 10⅞pcLn 2009	93¼	−⅞	11.53	11.60
103⅞	93⅞	Malaysia 12¼pc '88	101	.....	12.13	11.34
104⅞	101¼	NZ 14⅞pc 1987	101⅞	.....	14.06	8.79
116⅞	94¼	Do. 11¼pc 2008	112¼	−⅞	10.02	9.95
119⅞	96¼	Do 11½pc 2014	115⅞xd	−⅞	9.97	9.86
135⅞	112¼	Sweden 13½pc Ln 2010	133½	−1	10.11	9.79
114⅞	92⅞	Do 11pc Ln 2012	111⅞	−⅞	9.84	9.74
106	88	Utd. Mexican States 16½pc	104	−1	15.87	13.21

CORPORATION LOANS

High	Low	Stock	Price £	+ or −	Int.	Red.
112⅞	103¼	Birmingham 13½pc 1989	106¾	.....	12.65	10.53
120¼	99½	Do. 11½pc 2012	116¼	.....	9.89	9.76
103½	100	Burnley 13pc 1987	101	.....	12.89	10.81
92½	77¼	GLC 6¾pc 1990-92	91	.....	7.42	9.20
99⅞	93⅞	Herts 6½pc 1985-87	99⅞	.....	6.81	9.28
135⅞	115	Leeds 13½pc 2006	131½xd	.....	10.27	9.84
33	26	Liverpool 3½pc Irred.	28xd	.....	12.50	—
99½	92	LCC 5½pc '85-87	99¼	.....	5.55	9.24
93½	82⅞	Do. 6¾pc '88-90	92	.....	7.34	9.80
31½	24⅞	Do. 3pc '20 Aft.	30xd	.....	10.00	—
118⅞	98½	Manchester 11½pc 2007	108¼	.....	10.62	10.52

COMMONWEALTH & AFRICAN LOANS

High	Low	Stock	Price £	+ or −	Int.	Red.
94⅞	79	NZ 7¼pc 1988-92	91½	.....	7.92	9.30
201	165	S Rhod 2½pc Non-Assid	165	.....	—	—
79	70	Do. 4½pc 87-92 Assd.	75	.....	6.00	11.15
249	130	Zimbabwe Ann (£100pa)	130xd	.....	—	14.99

LOANS

Building Societies

High	Low	Stock	Price £	+ or −	Int.	Red.
100¼	99⅞	N'Wide 10½pc 6.4.87	100	.....	10.50	10.56

FOREIGN BONDS & RAILS—Contd

1986/87 High	Low	Stock	Price £	+ or −	Div % Gross	Red. Yield
77	60	Hung. '24 Ass	65	.....	2.75	14.37
145¼	122⅞	Hydro Quebec 15pc 2011	143½	−⅞	15.00	10.13
92	84	Iceland 6½pc '83-88	92	.....	6.50	12.17
135½	113⅞	Do. 14½pc Ln. 2016	131⅞	−1	14.50	10.90
104⅞	84½	Ireland 9¾pc '91-96	102½	.....	9.75	9.20
98	87	Japan 6% '83-88	95	.....	—	—

AMERICANS

1986/87 High	Low	Stock	Price £	+ or −	Div Gross	C'vr	Y'ld Gr's
44	22⅞	Abbott Laboratories $	40⅞	−⅞	84c	—	1.3
18½	11	Ahmanson (H.F.)	15⅞	+⅛	88c	—	3.7
32⅞	22⅞	Alcoa $1	27½	−⅞	$1.20	—	2.8
19⅞	11⅞	♦Allegheny & W $0.01	17⅞	.....	24c	—	0.9
12⅞	721p	Amax $1	12	+⅛	—	—	—
26⅞	947p	Amdahl 5c	24⅞	+⅛	20c	—	0.5
64	38	Amer. Cyanamid $5	60⅞	+⅛	$1.90	—	2.0
50⅞	35⅞	Amer. Express $0.60	48⅞	−⅛	$1.44	—	1.9
14⅞	910p	Amer. Medical Int. $1	12	.....	♦72c	—	3.9
19⅞	14⅞	American T. & T. $1	15½	+½	$1.20	—	5.0
67⅞	46	Ameritech $1	57⅞	−⅛	h$4.72	—	5.4
20⅞	14⅞	Amfac $	18⅞	.....	—	—	—
23	15⅞	Anheuser-Busch $1	21⅞xd	.....	$2.00	—	5.9
87⅞p	31½p	♦Arid Tech $	53⅞xd	.....	—	—	—
12⅞	710p	BankAmerica $1.5⁄8	7⅞	−⅞	—	—	—
35⅞	24	Bankers N.Y. $10	29½xd	−⅛	$1.66	—	3.6
822p	474p	BASIX Corp.	537p	+22	12c	—	1.4
51⅞	34⅞	Bell Atlantic $1	43½	−⅛	$3.84	—	5.7
15	3⅞	♦Bethlehem Steel $8	5⅞	.....	—	—	—
26¼	15⅞	Bowater Inc.	24⅞	−⅛	80c	—	2.1
39⅞	21⅞	Browning-Ferris 16⅔c	38⅞xd	−⅞	80c	—	1.4
30⅞	15	Brunswick	28⅞	−½	60c	—	1.3
32¼	16⅞	CPC Intnl. 25c	32¼	−½	h$1.24	—	2.5
25⅞	18	CSX Corp U.S.$1.00	21⅞	−½	$1.16	—	3.6
28½	18⅞	CalFed Inc $1.00	23⅞xd	−⅛	60c	—	1.7

Continued on next page

Money Market Bank Accounts

Money Market Trust Funds

LONDON SHARE SERVICE

AMERICANS—Continued

1986/87 High	Low	Stock	Price £	+ or −	Div Gross	C'vr	Y'ld Gr's
74	57⅛	TRW Inc. $1¼	64½xd	−⅛	$3.20	—	3.2
31	23⅛	Tenneco $5	30¼	−¼	$3.04	—	6.5
184½	135	Do. 10pcLn.Stk. 91-5	184½xd	....	10%	—	5.7
26¼	18½	Texaco $6.25	23½xd	+½	$5.00	—	8.3
60⅞	41¾	Time Inc. $1	54¼	−⅛	$1.00	—	1.2
15⅝	11½	Tracor $0.55	12⅞	−⅛	35c	—	1.8
27¼	20⅞	Transamerica $1	21¾	−1⅛	$1.75	—	5.3
14⅞	781p	Transworld Corp $5	10⅝	+⅛	20c	—	1.2
42⅛	19⅝	Trinova Corp.	42¼	+¼	$1.40	—	2.2
19⅝	10¼	♦USX $1	17½	+⅛	$1.20	—	4.4
18¾	975p	Union Carbide $1	18⅛	−⅛	$1.50	—	5.4
37⅝	26⅞	Utd. Technologies	32¼	−⅛	$1.40	—	2.8
41⅞	29⅞	US West‖	34⅞	....	$3.04	—	5.7
32	20⅛	♦Woolworth $3½	31¼	+⅝	$1.12	—	2.3

CANADIANS

1986/87 High	Low	Stock	Price £	+ or −	Div Gross	C'vr	Y'ld Gr's
32½p	20p	♦Abbot Energy Corp.	21½p	.....	—	—	—
19½	380p	♦Amer. Barrick Res.	19	−½	—	—	—
83p	36p	Armeno	81p	+4½	—	—	—
19⅛	13¼	Bk. Montreal‖	19	+2⅛	$2.00	—	5.0
10½	595p	Bk. Nova Scot.‖	911p	−17	72c	—	3.8
20⅜	17⅝	BCE‖	20⅛	−¼	$2.40	—	5.5
960p	457p	♦Bow Valley‖	929p	+7	10c	—	0.5
19⅞	11¼	♦Brascan‖	19¼	+½	88c	—	2.2
430p	233p	♦Breakwater Res.	429p	−1	—	—	—
11⅝	820p	Can. Imp.Bk. $2	10⅝	−⅛	$1.08	—	4.9
12	692p	Can. Pacific‖	11⅞	+⅛	48c	—	1.9
42	35	Do. 4pc Deb £100	42	.....	4%	—	9.5
23⅛	875p	♦Echo Bay Mines	22⅝	−⅛	20c	—	0.4
709p	289p	♦Granges Expln‖	709p	+29	—	—	—
33p	10p	♦Gt Pacific Res	22p	−2½	—	—	—
14	620p	♦Gulf Canada‖	13⅞	+⅛	52c	—	1.8
15	10½	♦Hawker Sid Can‖	12⅝	−⅛	96c	—	3.6
750p	100p	Henlys Group	667p	−1	—	—	—
15⅝	11	Hudson's Bay ‖	13½	+⅛	60c	—	2.1
33⅞	16¾	♦Imperial Oil‖	31⅝	−¼	$1.60	—	2.4
11½	731p	Inco‖	10¼xd	−¼	US$0.20	—	1.3
20	550p	♦Intl. Corona Res.	19¼	+⅛	—	—	—
701p	500p	♦Inland Nat. Gas $1	667p	−1	60c	—	4.3
268p	122p	♦Muscocho Expln	256p	−12	—	—	—
22⅞	746p	♦Nu‑l Business Syst.‖	10	+⅛	—	—	—
13½	965p	♦Rio Algom	11½	....	65c	—	2.7
19⅛	13⅛	Royal Bk. Can.‖	16⅛	....	$2.00	—	5.9
49½	30¾	Seagram‖	49½	+1	US$1.00	—	1.4
14⅞	10½	Toronto-Dom. Bk.‖	14⅛	.....	84c	—	2.9
10	753p	♦Trans Can Pipe	989p	+2	$1.12	—	5.4
223p	125p	Vanity Corp‖	143p	−4	8	—	—

BANKS, HP & LEASING

1986/87 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
297	185	ANZ $A1	227	+2	Q31c	2.4	5.8	♦
*£182½	£139¾	Algemene Fl.100	£157	+2½	Q27%	♦	5.3	♦
273	185	Allied Irish	255	+2	††Q4.0%	3.6	5.8	8.0
92	63	Ansbacher (H.) 1p	90xd	.....	2.0	—	3.1	—
£40½	890	Banco de Bilbao S.A.	£38½	....	Q36%	♦	2.4	♦
£29½	£10¼	Banco de Santander	£27⅞	.....	Q23.2%	♦	1.6	♦
260	171	Bank Ireland Ir£1	245	+2	††Q14.04%	2.7	5.3	9.8
£14	600	Bank Leumi	£14	....	—	—	—	—
295	220	Bk.Leumi (UK)£1	295	...	12.4	—	5.9	—
477	365	Bank Scotland £1	472	.....	†14.0	3.6	4.2	9.4
80	47	Bank of Wales	71	+1	♦2.4	2.3	4.8	11.6
589	433	Barclays £1	509	..	21.0	♦	5.8	♦
91	31	Benchmark 20p	81	+1	1.63	1.8	—	—
700	410	Brown Shipley £1	588	.....	†9.5	—	2.3	—
146	91	Business Mort Tst	125	+2	†1.51	7.2	1.7	11.3
*422	268	Cater Allen £1	378	.....	g20.15	—	7.5	—
241	67	♦Chancery Securities	241	+13	L2.2	3.2	1.3	28.9
£23¼	£16¼	Commerzbk DM10	£17¾	.....	††Q16%	—	3.1	—
£28	£20½	C'hgn.Hbk.Kr100	£23¼	.....	Q15%	♦	6.2	2.2
£303½	£203½	Deutsche Bk DM50	£231½	+8½	††Q24%	—	1.8	—
266	142	First Nat. Fin. 10p	261	−2	6.39	3.1	3.4	10.3
142½	102	FNFC 6.3pc CnRedPrf	141½	.....	6.3%	—	6.3	—
45¼	17½	First Pacific Hldg.	41	.....	Q3.85c	3.4	6.2	4.8
*385	240	Gerrard & National	377	.....	15.5	—	5.8	—
210	75	Goode Durrant 5p	185	.....	♦2.5	—	1.9	—
110½	66	Guinness Peat	106	+½	2.38	2.3	3.2	16.7
315	162	Hambros 20p	255	+4	†7.2	—	4.0	—
521	325	Hill Samuel	436	.....	†13.2	—	4.3	—
90½	55	HK & Shang HK$2.50	82	+1½	†Q37c	—	3.8	—
520	318	Joseph (Leo) £1	513	.....	12.37	—	3.4	—
198	136	King & Shaxson 20p	180	.....	8.75	—	6.8	—
642	376½	Kleinwort, Benson L.	595	−5	††12.0	—	2.8	—
527	295	Lloyds £1	467	−2	18.0	4.4	5.4	5.3
£15⅞	572	MCorp $5	622	+5	—	—	—	—
428	280	Mercury Intl.	393xr	.....	h8.0	—	2.9	—
152	106	Do 6pc A Cm Prf	138xd	.....	6%	—	6.1	—
673	420	Midland £1	642	...	27.0	♦	5.9	♦
516	353	Morgan Grenfell £1	395	+2	10.5	—	3.8	—
320	203	Nat Aust. Bk. A$1	226	+1	††Q24.2c	3.0	5.5	6.1
*640	436½	Nat. West. £1	599	−5	20.5	q4.0	4.8	6.4
£127	£79	Ottoman Bank £20	£125	.....	Q60%	—	4.4	—
86	55	Rea Bros. Group	75	+2	20.45	—	0.8	—
157½	102	Rothschild (J) Hldgs	157½	+2	†5.0	3.2	4.5	—
80½	35	Do. Warrants	80	+1	—	—	—	—
380	260	Royal Bk. of Scotland	334	.....	10.8	3.7	4.6	8.4
885	581	Schroders £1	885xd	+5	13.5	—	2.2	—
790	581	Do. £1 N/V	790xd	.....	13.5	—	2.4	—
£27¾	£20½	Sec. Pacific $10	£23¼	−⅛	hQ$1.20	—	3.3	—
875	420	Standard Chartd. £1	837	+21	35.0	♦	6.1	♦
131½	72¾	TSB	86½	+1½	W4.26	3.2	4.4	9.7
133	96	♦TSB Channel Islands	133	.....	R3.92	3.7	3.7	9.2
898	615	Union Discount £1	868	.....	40.0	—	6.5	—
£39⅛	£21¼	Wells Fargo $5	£31½xd	−⅛	hQ$1.56	—	3.2	—
305	177	Westpac $A1	201	−1	Q28c	2.5	5.9	6.7
415	225	Wintrust 20p	410	−3	†5.4	3.8	1.9	20.5

Hire Purchase, Leasing, etc.

1986/87 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
74	36	Cattle's (Hdgs) 10p	73	.....	2.4	♦	4.7	♦
200	123	Comb Lease Fin 50p	194	−3½	1.35	♦	1.0	♦
£140	£78⅞	Cie B'cre Fr.100	£106⅞	+⅝	Q10%	—	1.0	—
34	17	Equity & Gen 5p	31	.....	0.9	1.2	4.1	29.0
90	59	Lon Scot. Fin. 10p	90	.....	3.0	2.0	4.7	13.2
70½	40	Moorgate Merc. 10p	70	.....	†1.6	1.6	3.2	26.8
394	258	Prov. Financial	376	.....	13.0	2.2	4.9	13.1
540	133	Woodchester IR20p	540	+10	Q30.77%	—	1.0	—

BEERS, WINES & SPIRITS

1986/87 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
406½	252	Allied-Lyons	401	−2	†9.5	2.4	3.3	15.4
967½	625	Bass	923	−7	17.0	3.2	2.6	17.1
*74½	22	Belhaven	72	.....	g0.83	2.9	2.5	30.4
145	87	Boddington	140	−5	3.7	♦	3.7	♦
607	375	Brown (Matthew)	560	.....	14.0	1.8	3.5	22.2
171	57	Buckley's Brewery	143	.....	†2.9	1.6	2.9	27.9
208	143	Bulmer (H.P.) 5p	196	+6	†5.29	2.0	3.8	18.8
760	410	Burtonwood Brewery	695	+7	10.8	2.4	2.2	21.7
515	405	Clark (Matthew)	500	−2	†8.0	3.4	2.3	18.4
236	128	Devenish (J.A.) 5p	224	−1	2.7	4.0	1.7	18.8
168	113	Do 4.5pc Cv 2ndPf	153xd	−8	Q4½%	33.1	2.9	—
431	245	Eldridge, Pope 'A' £1	406	.....	7.0	3.5	2.1	16.3
402	210	♦Fuller, Smith & T. A£1	390	.....	††4.1	5.0	1.5	8.4
249½	164	Greenall Whitley	242	−1	5.5	3.0	3.2	14.0
134	100	Do. 5.95pcCvPf£1	133	.....	5.95%	—	6.3	—
347	185	Greene King	331	−2	†5.6	3.3	2.4	17.7
444	264	Guinness	336	−3	9.1	♦	3.5	♦
113	92	Do. 5¾pc Cnv Prf	108½		5.75%	—	7.5	—
£132	£106	Do 8¼pc CvLn	£128⅝	+2	Q8¼%	—	6.7	—
91	66	Highland Dsts. 20p	74	−1	2.19	2.4	4.1	14.3
181	138	Invergordon Dsts.	175xd	.....	5.25	♦	4.2	♦
287	160	Irish Distillers	205	.....	Q39.7%	2.1	3.4	13.7
375	310	Macallan-Glenlivet	373	.....	3.8	♦	1.4	♦
945	725	Macdonald Martin 'A'	938	.....	†17.5	1.9	2.6	24.6
130	77	Marston Thompson	130	+1	†2.24	3.1	2.4	18.6
430	311	♦Merrydown Wine	410	+5	h5.33	3.1	1.8	24.9
550	215	Morland	538	−5	7.0	2.9	1.6	26.4
248½	163	Scott & New 20p	234	−1	†7.01	2.3	4.2	13.7
596	350	Vaux Group	582	−1	12.5	2.3	3.0	19.7
349	227	Whitbread 'A'	331	−2	†7.8	2.6	3.3	15.0
325	277½	Wolv. & Dudley	315xd	+2	h4.88	3.6	2.2	17.7
372	195	Young Brew 'A' 50p	362	+2	†7.3	2.0	2.8	24.9
321	160	Do. Non. V. 50p	320	+5	†7.3	2.0	3.2	22.0

BUILDING, TIMBER, ROADS

1986/87 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
336	215	AMEC 50p	336	−1	†11.0	1.9	4.6	15.9
277	109	Abbey	277	+12	†20%	3.1	2.3	19.2
268	191	Aberdeen Const.	226	−2	†8.1	2.3	5.0	10.8
142	95	♦Access Satellite 5p	45xd	.....	†3.0	2.0	9.4	7.5
423	122	♦Amdia Sec Homes 10p	425	+18	L1.63	5.1	0.5	50.7
52	19½	Anglo Utd.	49	.....	[illegible]	—	4.9	—

[illegible]

BUILDING, TIMBER, ROADS—Cont

[illegible]

CHEMICALS, PLASTICS

[illegible]

DRAPERY AND STORES

[illegible]

DRAPERY AND STORES—Cont.

[illegible]

ELECTRICALS

[illegible]

ENGINEERING

[illegible]

ENGINEERING—Continued

[illegible]

FOOD, GROCERIES, ETC

[illegible]

HOTELS AND CATERERS

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

INDUSTRIALS—Continued

[illegible]

INDUSTRIALS—Continued

[illegible]

INSURANCES

[illegible]

LONDON SHARE SERVICE

INSURANCES—Continued

1986/87 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
348	220	PWS Holdings 10p	314	−2	ϕ9.25	2.9	4.1	11.7
386	200	Pearl Group 5p	350	.....	8.8	—	3.5	—
*950	714	Prudential	897	−15	29.0	—	4.7	—
499	362	Refuge 5p	474xd	.....	15.75	—	4.7	—
£10⅝	762	Royal	932xd	.....	31.0	—	4.7	—
*408	299	Sedgwick Group 10p	338	+5	†12.0	1.7	5.0	14.4
275	194	Steel Burrill J.10p	254	+4½	9.0	ϕ	5.1	ϕ
505	347	Stewart Wr. 20p	459	−2½	13.0	ϕ	4.0	ϕ
450	285	Sturge Hldgs 20p	435xd	.....	16.0	2.5	1.9	28.5
815	520	Sun Alliance	794	−13	†17.5	—	3.1	—
£10⅞	778	Sun Life 5p	£10⅛	.....	†23.74	—	—	—
£52⅞	£16½	♦Taisho M EDR	£50⅜	+1⅛	g010%	—	0.8	—
£24⅞	£15⅞	Torchmark $1.00	£19	−¼	Q60c	—	2.0	—
335	120	Trade Indemnity	335	.....	4.3	—	1.8	—
£40⅞	£29⅛	Travelers $1.25	£31⅛	−⅛	$2.28	—	4.7	—
£39⅞	£25½	USLIFE Corp. $1.0	£32⅞	+⅝	Q$1.20	3.2	2.6	13.1
595	423	♦Utd Friendly B 10p	595	.....	†17.2	—	4.1	—
492	393	Willis Faber 12½p	432	.....	10.75	ϕ	3.6	ϕ
57	38	Windsor Secs. 10p	56	.....	0.7	1.5	1.8	51.9

LEISURE

1986/87 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
37	8½	♦A & M Group 10p	36½	.....	0.4	2.0	3.4	20.6
83	72	A-R TV Pref. £1	76	.....	5.95	48.1	13.2	—
*549	159	Anglia TV	528	+1	g11.25	3.3	3.0	14.7
179	103	♦Aspinall Hldgs. 10p	143	.....	6.0	1.2	5.9	19.6
87	63	♦Avesco 1p	85	+2	0.5	6.6	0.8	21.8
50	39	♦BCE Hldgs 5p	48	−1½	R1.0	3.0	2.9	16.0
181	96	Barr & W.A.T. 'A'	180	.....	7.0	1.4	5.5	(17.2)
225	127	Boosey & Hawkes	175	.....	—	—	—	—
83	37	♦Border T.V.	70	−3	†g2.5	3.2	5.0	17.6
422	98	Brent Walker 10p	415	+3	4.0	2.7	1.4	32.2
181	33	Campari Int. 20p	181	+10	1.0	—	0.8	—
674	212	Central ITV	620	+30	17.0	ϕ	3.9	ϕ
266	157	Chrysalis	253	−6	5.6	2.1	3.1	21.2
63	26	♦Chryalon 5p	58	+3	—	—	—	—
29	7	♦Entertain Prod 5p	24	.....	—	—	—	—
306	118	Fairline Boats 10p	281	+1	6.0	3.6	3.0	13.2
557	328	First Leisure £1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

MOTORS, AIRCRAFT TRADES

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING, ADVERTISING

PAPER, PRINTING—Continued

1986/87 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
72	47	Query Communications	68	.....	1.25	1.0	2.6	39.3
200	128	♦Peters (Michael)	151	+3	†2.6	2.4	2.4	24.5
*704	428	Saatchi 10p	668xd	+10	h12.14	2.2	2.6	21.1
*142½	98	Do. 6.3pcCnPrf£1	130½	+1	6.3%	—	6.8	—
545	256½	St. Ives 10p	545	+5	ϕ4.5	4.8	1.2	25.5
£52⅞	£34⅞	Scott Paper	£49⅞	−⅞	Q$1.12	—	1.5	—
460	170	Shandwick 2p	460xd	.....	†4.22	4.0	1.3	27.2
305	140	Smith (David S.) 20p	305	+22	†4.2	3.0	1.9	24.5
483	120	Smurfit (Jefsn.)	468	−10	Q20.2%	3.4	1.0	45.8
108	81	♦Space Planning Servs.	81xd	.....	F1.2	2.9	2.1	15.4
108	70	Sterling Publishing 5	91	.....	2.0	2.2	3.1	20.3
144	111	♦TMD Advertising	136	.....	2.0	3.7	2.1	18.2
91	20	♦Thorpac Group 2½p	88	.....	h0.83	2.6	1.3	41.2
283	136	♦Trade Promotion 10p	283	+10	ϕ†4.35	2.4	2.2	26.7
258	203	Usher Walker 10p	258	.....	†7.3	2.9	4.0	12.2
215	130	Valin Pollen Int 5p	198	.....	1.5	5.9	1.1	22.5
665	239	WCRS Grp 10p	665	.....	†4.25	5.3	0.9	29.7
985	299	WPP Group 10p	942	−1	3.2	ϕ	0.5	ϕ
129	40	Wace Group 20p	129	+2	—	—	—	24.6
*255	101	Waddington (J.)	245	−5	†g5.2	2.1	3.0	(18.5)
385	230	Watmoughs	385xd	.....	7.8	ϕ	2.9	ϕ
191	163	Wiggins Mackay-Lewis10p	191	+1	R4.0	3.0	2.9	15.8
189	117	♦Yellowhammer 5p	182	+1	d1.6	4.3	1.2	26.4

PROPERTY

1986/87 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
107	68	Allied London 10p	106	+2	1.75	3.0	2.3	19.7
153	70	Apex Props. 10p	145	.....	ϕ0.7	4.8	0.7	32.5
255	156	Arlington Sec 10p	248	.....	2.2	ϕ	1.3	ϕ
435	216	Asda Property 20p	435	+10	3.0	2.5	1.0	54.2
18	9	♦Austmark Int	15	.....	—	—	—	—
224	186	BakerHarrisSaunds10p	224	.....	R4.0	2.7	2.5	20.9
193	85	Belgrave Hldgs	186	+8	4.5	1.8	3.4	19.4
27½	8	Berkeley & Hay Hill	27	.....	—	—	—	ϕ
304	218	Bilton (Percy)	302	.....	†11.98	1.5	5.6	15.3
515	366½	Bradford Prop.	515	+5	†9.0	2.9	2.5	20.0

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TEXTILES—Cont.

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

FINANCE, LAND—Cont.

Finance, Land, etc

OIL AND GAS

OIL AND GAS—Continued

OVERSEAS TRADERS

PLANTATIONS

Rubbers, Palm Oil

Teas

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Diamond and Platinum

Central African

Finance

Australians

MINES—Continued

Tins

Miscellaneous

THIRD MARKET

NOTES

REGIONAL & IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency.

Stock	Price	+ or −	Stock	Price	+ or −
Albany Inv 20p	74	.....	Fin. 13% 97/02	£106¾	+1¼
Craig & Rose £1	£15¾	.....	Arnotts	350	.....
Finlay Pkg. 5p	69	.....	CPI Hldgs	65xd	.....
Holt (Jos) 25p	905	+5	Carrol Inds.	130	.....
IoM Stm. £1	95	.....	Dublin Gas	11	.....
			Hall (R. & H.)	112	−2
IRISH			Heton Hldgs.	32	+1
Fund 11¼% 1988	£98⅜	+⅛	Irish Ropes	175	.....
Nat. 9¾% 84/89	£94⅛	+¼	Unidare	421xd	+32

TRADITIONAL OPTIONS

3-month call rates

Industrials	p		p
Allied-Lyons	35	NEI	8
Amstrad	16	Nat West Bk	55
BAT	47	P & O Dfd	55
BOC Grp	42	Plessey	20
BSR	12	Polly Peck	20
BTR	30	Racal Elect	20
Babcock	39	RHM	30
Barclays	47	Rank Org Ord	55
Beecham	48	Reed Intnl	42
Blue Circle	62	STC	20
Boots	25	Sears	12
Bowaters	37	TI	55
Brit Aerospace	58	TSB	8
Brit Telecom	20	Tesco	42
Burton Ord	23	Thorn EMI	50
Cadburys	22	Trust Houses	20
Charter Cons.	30	Turner Newall	24
Comm Union	29	Unilever	150
Courtaulds	35	Vickers	55
FNFC	20	Wellcome	50
Gen Accident	80	**Property**	
GEC	18	Brit Land	17
Glaxo	110	Land Securities	30
Grand Met	40	MEPC	32
GUS 'A'	100	Peachey	30
Guardian	85	**Oils**	
GKN	30	BOM	3½
Hanson Tst.	15	Brit Petroleum	60
Hawker Sidd	50	Burmah Oil	38
ICI	80	Charterhall	4
Jaguar	52	Premier	4
Ladbroke	40	Shell	75
Legal & Gen	25	Tricentrol	11
Lex Service	35	Ultramar	17
Lloyds Bank	48	**Mines**	
Lucas Inds.	55	Cons Gold	45
Marks & Spencer	18	Lonrho	24
Midland Bk	55	Rio T Zinc	65
Morgan Grenfell	35		

A selection of Options traded is given on the London Stock Exchange Report Page.

ERICSSON
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FINANCIAL TIMES
Saturday March 28 1987

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Thatcher to meet Moscow dissident

BY PATRICK COCKBURN IN MOSCOW AND PETER RIDDELL IN LONDON

MRS Margaret Thatcher is to meet Mr Iusuf Begun, a prominent Jewish dissident, during her five-day visit to the Soviet Union which starts today.

A meeting with one or more dissidents had been expected. Mr Begun—released from prison last month after demonstrations for his release were violently broken up by police in Moscow—said yesterday he had been invited to meet the Prime Minister.

Meanwhile, the Soviet news agency Tass yesterday strongly attacked *Mrs Thatcher for telling* the Commons that Britain would have greater trust in the Sovie Union if it treated its own citizens better.

Departing from a tradition of limiting Press attacks on foreign statesmen *about* to visit Moscow, Mr Yuri Kornilov, *a Tass political analyst, strongly* criticised Mrs Thatcher's record on civil liberties, unemploy ment and the homeless.

"No, Mrs Prime Minister," concludes Mr Kornilov, "we have no use for your advice and recipes." Nevertheless, Mrs Thatcher is to be interviewed for an hour by Soviet television on Tuesday during which she will be able to raise the subject of civil rights in the Soviet Union. British officials have, *however, been taking a relaxed* attitude toward strong remarks *coming out* of Moscow in the last few days.

There are expected to be announcements, probaly on Tuesday, about a series of important bilateral trade deals which have been the subject of negotiation for some months. Talks have been under way on the *construction of petrochemical* and engineering plants.

A *foretaste* came yesterday when Britain and the Soviet Union formally amended the air *services* agreement between the two countries. The move allows British Airways and British Caledonian to fly non-stop from London- to Tokyo on a trans-Siberian route from May 31, cutting the present flying time by more than six hours. From the same date there will be an increase in *Moscow-to-London* services by Aeroflot, the Soviet airline.

Both sides have been at pains *to emphasise that the visit* should not be seen as an opportunity for negotiations. Sir Geoffrey Howe, the Foreign Secretary, has played down expectations of a breakthrough in arms talks which he and the Prime Minister regard as unrealistic at this stage.

Similarly, Mr Mikhail Gorbachev, the Soviet leader, has *already removed* the link on the removal of medium range nuclear missiles from Europe from the rest of the arms control measures discussed with President Ronald Reagan at the Reykjavik summit. Mrs Thatcher had originally been expected to request its removal.

Any British role as interlocutor with the US has also been reduced by the impending visit to Moscow of Mr George Schultz, the US Secretary of State, from April 13 ot 16. The visit is likely to hold the key *to arranging a deal on arms* control. However, Sir Geoffrey will visit the US in 10 days to report to Mr Schultz on the Moscow visit and talks will also be held with other European foreign ministers.

Mrs Thatcher will nevertheless press Mr Gorbachev when *she holds her main talks* with him on Monday for Soviet assurances on short range missiles and conventional forces. Nato says both show a large imbalance in favour of the Soviet Union.

Mr Gorbachev, for his part, is likely to stress Soviet concern that the US wants to scale down but not destroy its Pershing 2 missiles in West Germany and to *re-station* cruise missiles offshore. The Soviet *side* is also insisting on stringent verification of the agreement.

Apart from the arms control discussions and probable trade announcements the visit will include a number of tours outside Moscow, notably to a ussian Orthodox monastery and a walkabout in a Moscow suburb tomorrow, and to Georgia on Wednesday. These have been included in part to secure *maximum television* coverage in the UK.

To Russia with an election in mind, Page 6

THE LEX COLUMN

Selling deals means losing votes

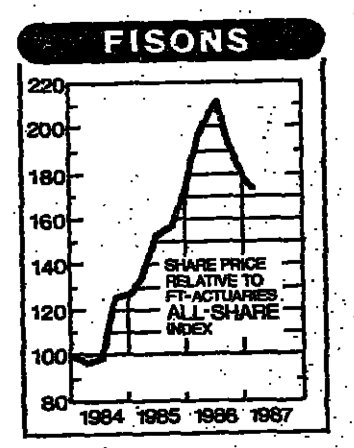
The perennial problem for the Government in its privatisations has been to reconcile good value for taxpayers and good value for small investors. Hitherto the latter have been the *main beneficiaries, not least* because they have not had to *absorb a* portion of the high costs of offers for sale and underwriting. In the case of the sale of HMG's remaining stake in BP, several firms, some seriously and some for show, are offering to avoid these costs by buying the shares themselves.

But the crude bought deal is a ludicrous proposition in political terms, and not just *because it would cut out* the small shareholder. Any bought deal auction would most likely see the stock taken on board by the firm with the biggest pocket—most probably American—at a discount to the market price. The stock would then be sold on at a higher price by the investment bank to funds acting on behalf of Britain's future pensioners. *Great deal. Shame* about the General Election.

Smith New Court is attempting to have the best of the *old and the new worlds* by setting up a wholly UK consortium which would also allow for some kind of clawback by the general public. The problem remains of setting a price which is both high enough to avoid a bought steal and low enough to attract a private investor grown used to exorbitant new issue profits. A partly-paid offer would obviously help, *but* the downside risks are formidable. *BP shares have gained a habit* of rising 5 per cent in a single *day. But as the ads say,* the value of your units can go down as well as up. Any responsible bought dealer will offer only a discount rather than a price.

It would doubtless give the securities houses exquisite pleasure to get their own back on the underwriting institutions which have given them such a tough time since Big Bang. But it seems unlikely that *civil* servants will want to be bold *financial innovators.* The battle over the cost of selling BP *could still be fought in the same* old trenches.

Index rose 5.7 to 1620.6



Fisons

The lure of equity to be raised by issuing shares all round the world at the market price, and with no underwriting, has been dangling in front of UK chairmen for years, but only since last October has the fantasy begun to take concrete form. *Fisons has now become* the first to take the plunge, *and aim over £100m* of ordinary shares specifically at investors in Europe and Japan.

Since discounts on relatively *small rights issues* have been narrowing lately — and for Fisons this is a small bite, only 5.5 per cent of its authorised capital — it is not necessarily a knock-down argument for the new method that the costs and commissions will total less than 5 per cent of the amount raised. After all, the whole of that percentage is effectively being deducted from Fisons' existing equity.

There is also some question whether an ungeared and cash-*generative group should* be responding to even the most persistent international clamour for a piece of its equity. But if Fisons invests the money as successfully as it did the proceeds of its last rights issue, it is just possible that the aditional shares will raise the overall return on equity and disarm potential complaints. *A fall* of less than 1 per cent in the share price yesterday suggests that institutions were unworried by the *placing and the lack of under*writing commissions alike.

RHM/Avana

An unsentimental market may not have been very impressed by Avana's investment and employment record in depressed areas but its forecasts for 1986-87 and 1987-88—which suggest that it is finally resuming normal growth—have done the defence against RHM no harm. The 1987-88 trading profit growth is possibly a touch disappointing (although the broking forecasts were unusually ragged). And while the pre-tax is bloated by the Weetabix deal, a potential double gain from *the sale of loss-making Porfavor* is in reserve.

Avana, however, walks into the old problem of reducing the predator's potential dilution, and if market expectation of an increased offer is to be satisfied dilution could have been a wory for RHM. Yet its own purple patch continues—although rising tax indicates a slowdown in earnings *growth*—and that is the best protection *against both dilution and* predators from afar.

The pity is that either side has to lose this bid. There is some logic in an own-label combination and RHM should be able to teach Avana a thing or two about brands. But how much is Avana really worth without Dr Randall? Even in the absence of a white knight the market looks ready to bid him farewell; but RHM will have to pay up.

Dixons/Cyclops

In the country of the one-eyed man, it seems, risk arbitrage is king. A week ago Dixons apparently held 54 per cent of Cyclops, and had taken management control; by Tuesday it was down to 22 per cent and on its way out of the Cyclops boardroom. But at least the 22 per cent was nailed down by a second, definitive, closure *of Dixons tender.* From that platform, under US rules, *Dixons was entitled to buy the* remaining shares at a price *agreeable to their owners.* A block containing no less than 57 per cent of Cyclops was then assembled and has now been handed over at $95 a share, $4.75 higher than Dixon's tender. Apart from the fact that this could never have happened in London—what price shareholder equality?—the manner of Dixons' success does provide an *interesting portent for BP.* Acceptances of the tender for *Standard Oil stock must be* conditioned by the expectation of a higher price—if not a higher formal offer—being available from BP once its tender has actually closed.

Ministers welcome profit-linked pay response

By Philip Bassett, Labour Editor

MORE THAN 1,600 companies are interested in profit-related *pay schemes for employees,* the Government disclosed *yesterday.*

Ministers are encouraged by employer response in the 10 days since the proposals were announced in the Budget, and believe it indicates a high take-up of the scheme.

It provides for tax relief if a proportion of an employee's pay is linked to company or unit profits.

*Mr Norman Lamont, Finan*cial Secretary to the Treasury, told a Confederation of British Industry conference on pay and performance in London yesterday that, while he did not under-estimate the difficulty there might be in gaining employee acceptance of profit-related pay schemes, conditions for their introduction had never been so favourable and the need rarely so great.

Mr Lamont emphasised the value of schemes in improving *employee motivation and com*mitment, but laid greater stress *on the ability of PRP schemes* to make pay and the labour market more flexible.

He said that to maintain economic success, it was "of crucial importance" that the labour market should work more efficiently.

"We have got to get the relationship between pay and performance right. That means *that performance must deter*mine pay; pay must not be allowed to determine performance."

Not only would the automatic reduction of the PRP element in difficult times focus employees' attention on their employer's business position, "it also reduces the cost burden on firms at precisely the time when *this is most neces*sary. The pay adjustment pro*vides an alternative* to what may otherwise be the single option of redundancy."

If PRP were to become part of the pay negotiating process it could have enormous consequences for the economy in the longer term, even *if it* did start from relatively modest *beginnings.*

Mr Lamont said straight *PRP schemes would be difficult* to apply in the public sector, partly because large parts of it made no profits.

GM and Deere drop plans to merge diesel engine operations

BY WILLIAM HALL IN NEW YORK

GENERAL MOTORS, the largest US motor manufacturer, and Deere, the world's leading *farm equipment company, have* nabandoned an ambitious plan to merge their diesel engine operations.

Deere said yesterday it had agreed with GM to discontinue negotiations for the formation of a joint venture company to design, manufacture and market diesel engines worldwide.

The proposed venture, called *Detroit Deere Corporation, or* Dedec, had been under discussion for two years. It would have involved combining the diesel engine operations of Deere with those of GM's Detroit Diesel Allison division. This would have created one of the world's largest manufacturers of diesel engines. It would have been based in the Detroit area.

Mr Robert Hanson, Deere's *chairman, said studies* by the two compaines had shown that many of the benefits of a joint venture would be provided by continuing their marketing relationship.

However, he added: "The companies' exploration of the potential joint venture made it clear that there were more effective means to serve the interests of thir engine customers than by combining manufacturing assets."

Both Deere and GM emphasised that the decision not to *go ahead with the joint ven*ture was mutual. They stressed *the benefits* of the extension of their co-operative marketing relationship, under which Deere engines are distributed through GM's Detroit Diesel Allison division.

The announcement that the proposed joint venture was being scrapped surprised Wall Street analysts and led to a sharp drop in the Deere share *price. By late morning, it was* being quoted at $27¾ (£17.30), down $1⅛.

Mr Thomas Burns, a Goldman Sachs *analyst, suggested that* the negotiations might have been called off because the two companies could not agree on details such as how to value the parts of the business which were to have been placed in the venture.

Mr Burns said the breakdown of the negotiations meant that Deere still had to resolve the problem of its surplus diesel engine manufacturing capacity.

Analysts also noted that GM's Detroit Diesel Allison's share of the diesel truck engine market had fallen sharply over the last 15 years. The proposed deal was seen by some industry observers as a *defensive move to help bolster* its market share.

Deere has plants for manufacturing diesel engines in Waterloo, Iowa, and Saran, France. Its strength lies in producing engines of up to 350 horsepower. GM's strength lies in bigger diesel engines.

The two companies signed a letter of understanding last July to form a company which would have had annual sales of about $1.5bn (£937m) and a workforce of about 6,000. It would have been the second largest in the US diesel engine market.

*When they formally an*nounced the joint venture, the two companies said: "The new organisation will allow us to provide a full line of products that will benefit from combined resources in both technology and economies of scale in manufacturing."

Mr Hanson said yesterday that Deere was pleased that its marketing arrangements with Detroit Diesel Allison would be maintained.

Institutions offer to handle BP share sale

By Lucy Kellaway

SEVERAL LEADING City institutions are writing to the *Government* volunteering *to* conduct the sale of its remaining 32 per cent stake in British Petroleum as a "bought deal" rather than as a traditional offer for sale.

The bought deal, common in the US, transfers the price risk from the issuer of the shares to the vendor bank, which buys the shares in a single block and then *distributes* them. If the Government agreed to sell *BP in this way, it would be the* largest bought deal ever *attempted.*

At least two large US banks and several UK banks and stockbrokers are recommending that the Government examine the possibility of a bought deal, and some are already assembling consortium groups to handle the £4.5bn sale.

Smith New Court, the stockbroker, has put together a consortium of five British institutions, consisting of a leading market-maker, a *large clearing* bank, a building society, a broker *with a provincial* network and a broker with a large *institutional client base.*

The consortium is submitting a *complex proposal,* which it claims would be much cheaper than a conventional offer for sale. It would be all-British, would distribute the shares widely and would involve no political risks.

The chief advantage of a bought deal is cost. The issuer pays no underwriting commission and usually receives a higher price for the shares.

However, the City was sceptical *yesterday about whether* the Government would agree to de*part so markedly from* traditional selling methods.

Stephen Fidler writes: Moody's Investors Service, the US credit rating agency, has put the debt rating of both BP and Standard Oil under review for *possible downgrading.*

BP is raising $5bn (£3.1bn) through an international bank loan to support its bid for Stan*dard and will finance in cash* the rest of the funds of up to $7.4bn that it will need for the transaction.

Moody's said the acquisition would "seriously impact BP's liquidity, leverage and interest coverage"

Fisons in £110m share placing

BY TONY JACKSON

FISONS, the UK drug company, is to raise £110m for future acquisitions through an international share placing of up to *18m shares, or 5.5 per cent of* the authorised capital.

However, in a move which is thought to be unique, none will be offered in either the UK or the US.

Mr John Kerridge, chairman of Fisons, said yesterday that while more than 80 per cent of *the company's sales were over*seas, less than 2 per cent of its shares were held outside the UK.

"The international demand is there, but it is also necessary to go out and attack the market," Mr Kerridge said.

Fisons plans to take road*shows around Europe* for investors and hopes to place about a *quarter of the issue in* Japan. Mr Kerridge said that the aim in Europe would be to find holders predominantly in Switzerland and Germany and, to a lesser extent, in France.

The placing will be handled by County Securities the National Westminster Bank subsidiary, assisted by a con*sortium of a dozen investment* banks, including Nomura in *Japan and Morgan Stanley in* Europe.

Mr Kerridge said the money would probably be used for a *series of small to medium-sized* acquisitions.

"*We have already spent* between £80m and £90m that way *since May 1985. We don't* need money for organic growth, since the business is *inherently* cash-positive," he said.

The priority for acquisition would be in pharmaceuticals, *but even the dull companies* fetched very high prices. "We've *found scientific* equipment manufacturers much more available in terms of the number of companies around, and we wouldn't rule out horticulture either," said Mr Kerridge.

Fisons' strategy has only *ben alowable under Stock Ex*change rules since Big Bang *last October. The Companies* Act 1985 requires, however, the *existing shareholders should* be consulted at an extra-ordinary general meeting due to be held on April 21.

Fisons said the issue, which will not be underwritten, would be placed only with long-term shareholders, who would not immediately return their shares to the London market. Shares would only be issued as *demanded, subject to the 18m* limit.

County Securities *said* the issue was an alternative to an *ADR listing in the US.* "Getting ADRs might cost between 8 per cent and 10 per cent of the amount raised, but this will cost less than 5 per cent." Neither a Japanese nor a US stock market listing had been ruled out in the long term.

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES			
Assoc Newspprs	520	+	15
Braithwaite	367	+	64
Brit & Com'wealth	470	+	35
BP	936	+	18
Britoil	245	+	10
Bulmer (H. P.)	196	+	6
Caffyns	415	+	27
Caledonia Invs	390	+	32
Common Bros	25	+	6½
Crowther (J.)	222	+	9
Dowty	285	+	9
Lonrho	286	+	10
Lucas Inds	557	+	16
Mackay (Hugh)	195	+	20
Mercantile House	355	+	22
Olives Paper Mills	95	+	11
Reuters B	729	+	21
Smith (David S.)	305	+	22
Standard Chartered	837	+	21
Stonehill	108	+	20
TV-am	390	+	17
Thorn EMI	623	+	22
Utd Newspapers	505	+	15
Wellcome	448	+	14
Yorkshire *TV*	368	+	22
FALLS			
Argyle Trust	168	−	15
Assoc Book Publsrs	276	−	17
Munton Bros	14	−	6
Wordplex	150	−	16

WORLDWIDE WEATHER

UK today: Sleet and snow in N. *Blustery showers, strong winds else*where. Cold. Outlook: Similar.

		Y'day midday °C	°F			Y'day midday °C	°F			Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	F	15	59	Dallas†	S	2	36	Madeira	S	17	63	Perth		—	—
Algiers	S	22	72	Dublin	R	7	45	Madrid		—	—	Prague	S	12	54
Amsdm.	C	10	50	*Dbrvnk.*		—	—	*Majorca*	C	15	59	Rykjvk.	S	−1	30
Athens	S	16	61	Ednbgh.	C	12	54	Malaga	C	17	63	Rhodes	S	18	64
Bahrain		—	—	Faro	S	18	64	Malta	S	22	72	Rio J'o		—	—
Barclna.	F	15	59	Florence	F	17	63	M'chstr	R	10	50	Rome	S	15	59
Belfast	R	7	45	Frankft.	C	11	52	Melbne.		—	—	Salzbrg.	C	16	61
Belgrd.	F	17	63	Geneva	C	11	52	Mex. C.		—	—	S'cisco†	F	9	48
Berlin	S	12	54	Gibrltr.	S	18	64	Miami†	F	22	72	Seoul		—	—
Biarritz	F	21	70	Gl'sg'w	R	10	50	Milan	C	13	55	Singapr.		—	—
Bmghm.	C	9	48	*G'rnsey*	F	10	50	*Montrl.†*	F	4	39	*S'tiago*		—	—
Blackpl.	R	8	46	Helsinki	C	1	34	Moscow	S	1	34	Stckhm.	R	3	37
Bombay		—	—	H. Kong		—	—	Munich	S	16	61	Strasbg.	F	13	55
Bordx.	C	17	63	Innsbrk.	F	15	59	*Nairobi*		—	—	Sydney		—	—
Boulgn.		—	—	Invrnss.	R	5	41	Naples	S	18	64	Tangier	C	18	64
Bristol	C	10	50	*I.o Man*	R	8	46	Nassau		—	—	Tel Aviv	C	17	63
Brussels	C	11	52	Istanbul	S	13	55	Nwcstl.	R	10	50	Tenerife	S	20	68
Budpst.	F	16	61	Jersey	F	12	54	N Delhi		—	—	Tokyo		—	—
Cairo		—	—	*Jo'burg*		—	—	*N York†*	F	11	52	*T'r'nto†*	F	5	41
Cardiff	C	9	48	L. Plms.	C	18	64	Nice	S	15	59	Tunis	F	19	66
Cape T.		—	—	Lisbon	C	15	59	Nicosia	S	18	64	Valencia	S	23	73
Chicg.†	R	4	39	Locarno		—	—	*Oporto*	C	14	57	*Venice*	C	12	54
Cologne	R	11	52	London	C	11	52	Oslo	R	1	34	Vienna	S	14	57
Cpnhgn.	F	5	41	L. Ang.†	F	10	50	Paris	C	12	54	Warsaw	S	10	50
Corfu	C	15	59	Luxmbg.	R	7	45	Peking		—	—	Zurich	F	12	54

C—Cloudy. Dr—Drizzle. F—Fair. Fg—Fog. H—Hail. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow. T—Thunder.
† Noon GMT temperatures.

Tariffs Continued from Page 1

on chips exported to the US over the past six months.

The US *imported $10.3bn* worth of Japanese consumer electronics goods last year. Japanese companies dominate the US market for video recorders, compact disc players and televisions.

The tariffs will apply only to products from Hitachi, Fujitsu, Mitsubishi, Oki, NEC and Toshiba — all signatories to the trade agreement.

The impact of the tariffs on Japanese sales in the US could be substantial. The Japanese companies are *already* under pressure from Korean and other *competitors because of rising* prices linked to the high value of the yen. US semiconductor industry executives expect the tariffs to be as high as 100 per cent on certain products.

The Japanese Ministry of Finance meanwhile said Japan's February trade surplus rose to $8.1bn compared with $5.7bn the previous month. The net outflow of capital eased slightly to $11.4bn from $12.3bn in *January, partly because of* an inflow of foreign direct invest*ment. The result was an overall* payments account deficit of $2.65bn, compared with a deficit of $7.4bn in January.

Dollar falls against yen Continued from Page 1

tween the Group of Five leading industrial nations and *Canada.*

Mr Paul Chertkow, currency *research director at Hoare* Govett, the securities house, said the *growing power* of the protectionist lobby in Congress should not be underestimated.

This week has sen the publication of figures showing sharply increased trade surpluses in both Japan and West *Germany, auguring badly* for the US trade deficit.

In London, the Bank of England announced it was issuing two tranches of existing index-linked gilt-edged stock totalling £250m—£150m of 2½ per cent Treasury 2011 and £100m of 2½ per cent *2024.* Dealings begin on Monday.

Greece and Turkey Continued from Page 1

moved last month to block *these plans, apparently* to avert a possible clash with Turkey, *by tabling a contro*versial bill allowing the state to acquire a controlling interest in NAPC.

Mr Papandreou said in an interview with the Financial Times only a few days ago that the Greek Government wanted to have a veto over any decision to start drilling because it was such a sensitive issue affecting Greek-Turkish relations.

Initially, the consortium rejected the Government's move and said it would go ahead with its drilling operations regardless. Yesterday, however, a NAPC spokesman said without elaborating, that "nothing is going on" in connection with *drilling.*

The legal document at the *core of the latest flare-up of* Greek-Turkish disputes in the Aegean is the so-called *Berne* Protocol of 1976 under which Greece and Turkey undertook to refrain from any actions on the Aegean continental shelf, such as oil prospecting activities.

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WEEKEND FT

Saturday March 28 1987

• MARKETS • FINANCE & THE FAMILY • PROPERTY • TRAVEL • MOTORING • DIVERSIONS • HOW TO SPEND IT • BOOKS • ARTS • TV •

How Britain was caught on the hop

Five years after the Falklands war, Jimmy Burns reveals the way Argentina's junta plotted the invasion

JUST before Christmas 1981, Argentina appeared fated to be ignored, as it had been for most of its history, by international opinion. The fact that on 22 December an Argentine President called General Robert Viola had been toppled in a "palace coup" by his army chief, General Galtieri, hardly drew a mention. In Britain, Fleet Street had geared down for its "silly season," and Parliament was in recess. At the time the British Ambassador to Buenos Aires, Anthony Williams, reported that the Argentine navy, traditionally the hardest of the services on the Falklands issue, was playing a "decisive role in the change of Government, which it was likely to maintain in the new junta." His immediate superiors at the Foreign and Commonwealth Office took the view that the Argentine Government could be expected to take a more forceful line of action on the Falkands issue, And yet no one on the British side appears to have considered that an outbreak of hostilities was imminent.

Planned and executed by General Galtieri, the downfall of Viola would not have been possible without the active support of Admiral Jorge Isaac Anaya, the navy chief, who had a personal grudge against Viola. The two men had first crossed swords in the months leading up to the 1976 coup when senior officers from the three branches of the armed forces had laid the initial plans for the toppling of Isabelita Perón. Viola had wanted immediate action; Anaya had urged a tactical delay, arguing that a few more months of Perónist misrule would make it that much easier for the military to appropriate for itself the destiny of the nation. In 1978 the two men were again at loggerheads, with Anaya sharing the navy's deep distrust for Viola's flirtation with the political parties and his insistence that the army should dictate the terms of any future transition to democracy. In a stormy meeting at which other officers were present, Viola not only mocked Anaya's political judgment but also made a fleeting reference to the navy man's dark skin and his Bolivian background. Anaya never forgot the racist jibe, and spent the next three years looking at ways of restoring his self-respect. By Christmas 1981, Anaya had rediscovered Leopoldo Fortunato Galtieri.

The two men had first known each other at the age of 15 when they had gone together to military school. They had maintained an easy-going although not particularly profound acquaintance since then. Anaya was content simply to find in Galtieri everything that Viola wasn't. Galtieri was an anti-intellectual, preferring action to words. Without any fixed ideological position of his own he was permeable to other people's influence, all the more so if a particular recommendation coincided with his own ambition to reach the top of the army hierarchy and to go down in history as the most populist President since Perón.

On December 9, 1981, Galtieri and Anaya met for lunch with their respective wives in the main army barracks of Campo de Mayo. The lunch was taken up with earnest discussion about the latest political situation. The main source of concern for both men was the damage being wrought to the prestige of the armed forces by General Viola's mishandling of the economy.

The lunch appears to have ended with both men sufficiently convinced of the gravity of the situation to toast a change of government within the regime. Galtieri confirmed that, as commander of the army, he had the power of the tanks to thwart any resistance by Viola, although both men seemed convinced that the President would resign without resort to arms. It was to be a palace coup like so many others tested and tried during 50 years of military power. Anaya offered the full political and military support of the navy on the understanding that the navy would be allowed to expand its plans for the occupation not just of South Georgia but also of the Falklands.

Even at this early stage, Galtieri appears to have calculated that the political risk implied by his handing the initiative on the Malvinas to the navy was worth taking. Properly managed, public opinion would accept a successful occupation of the islands as an act not just of the navy but of the military as a whole. Anaya would take the initial kudos, but Galtieri, as President, would reap the ultimate glory. With a bit of luck, Galtieri hoped to stay in power for at least ten years. Both he and Anaya considered the opinions of the air force only belatedly, thus carrying on a military tradition that had relegated the airmen to a secondary role inside the political system. It was not until 29 December that Brigadier Basilio Lami Dozo was informed of the decision to recover the islands before the end of the year. The junta was convinced that the raising of Argentina's blue and white flag in Port Stanley on the 150th anniversary of Britain's "illegal usurpation" of "Las Malvinas" would stir nationalist sentiment as much as General San Martin's epic crossing of the Andes in the 19th century.

'The operation would focus on a surprise amphibious landing by 3,000 troops'

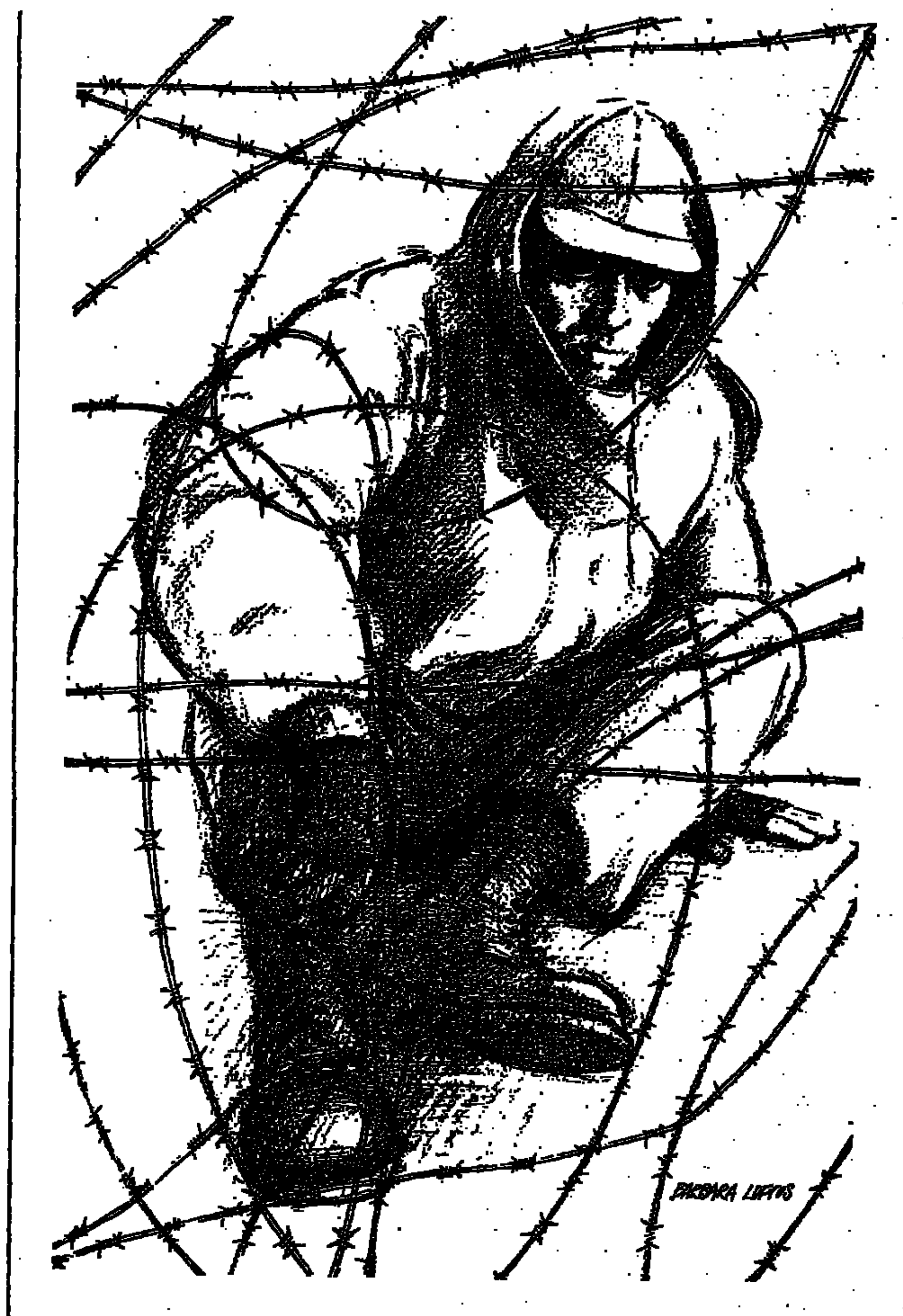
The detailed planning stage for the invasion of the Falklands began in early January 1982. A very restricted "task group" headed by the commander of the Argentine fleet, Rear-Admiral Juan José Lombardo, and including Brigadier Sigfrido Plessel, one of Lami Dozo's senior advisers, and General Osvaldo Garcia, the commander of the Fifth Army Corps, set up an improvised "war room" in an annexe of the Navy Club in Buenos Aires—an imposing *fin de siècle* building on the corner of the capital's busiest shopping arcade, the Calle Florida. The setting was soon judged too exposed and the task group moved to the southern port of Puerto Belgrano — a naval reserve where few civilians dared tread.

★

Codenamed Operation Azul, Lombardo's plan drew heavily on the scenarios developed as part of basic military training ever since 1942, and which had been refined by Anaya himself soon after returning from a posting as naval attaché to London in 1977. The operation would focus on a surprise amphibious landing of not more than 3,000 troops, capable of subduing with a minimum of bloodshed the token contingent of Royal Marines on the islands. Speed would be of the essence, with the Argentines moving quickly to place under arrest the island administration, control the more virulently anti-Argentine among the islanders, and dominate Port Stanley and outlying farms to such an efficient degree as to make protracted armed resistance impossible. Within 48 hours, the bulk of the invasion force would withdraw to the Argentine mainland, leaving a military Governor and a token presence of about 500 men to make a symbolic assertion of Argentine sovereignty and await Britain's diplomatic surrender as a *fait accompli*.

The only major modification to Anaya's draft plan appears to have involved the islanders. Lombardo's task force drew up a plan of financial compensation to be offered to those kelpers who wished to emigrate once an Argentine administration had been installed. But this was devised as an option rather than a compulsory final solution. The navy had originally planned to remove the entire island population by force so as to leave the islands free for Argentine settlers. Lombardo believed that this would outrage international opinion, and preferred a more flexible arrangement by which a mixed island community would evolve and in which kelpers and Argentines would enjoy equal rights.

From the outset, Lombardo's task group incorporated detailed assessments of the nature of Britain's defence of the islands, the attitudes of individual islanders (a black list of the most anti-Argentine was drawn up), and the diplomatic context in which the invasion would take place.



Early advice came from Vice-Commodore Hector Gilobert, an air force officer who had used his position as chief representative in Port Stanley of the State airline Lineas Aéreas del Estado (LADE) and his excellent English as a cover for four years of persistent intelligence gathering. Gilobert was far from being the perfect spy and does not seem to have been trained as one. He was simply an astute officer who had found little difficulty in absorbing the reality of a small, simple and extremely transparent island community. The marine barracks at Moody Brook on the outskirts of Port Stanley, for example, was throughout his posting run virtually with the openness of a pub, Argentine female teachers were among those who regularly attended the camp's drunken social occasions, when a generous amount of indiscreet information about training and schedules was passed around as freely as beer. As one islander confessed:

"If Gilobert or any other Argentine officer wanted to, all he had to do was run up in his car on a Sunday afternoon, photograph the premises, study the layout through a pair of binoculars and send it all back to Buenos Aires. The barracks were always open to the public at the weekends so there was no one to prevent this from happening."

Additional information on the islands was provided by Captain Capaglio, skipper on the naval transport ship *Isla de los Estados*. Since 1980 the ship had carried out a series of commercial trips to the islands, transporting food to and from the mainland. Capaglio is believed to have gathered detailed intelligence on the layout of some strategically placed farms, the loyalties of their owners, and of the lack of a military presence on the majority of the beaches and jetties that dotted the islands.

'The US Administration saw in the Argentine military a useful ally'

As for British diplomatic intentions, one of the early advisers of the task group appears to have been Rear-Admiral Walter Allara. A former head of Argentina's navy intelligence (SIN). Allara had recently returned from a two-year posting as naval attaché to London. The navy officer had had the good fortune to find virtually the same degree of transparency in Britain as his colleagues had found on the islands. In the English summer of 1981, for instance, Allara had been pleasantly surprised to be invited on board *HMS Invincible*. A few weeks later he returned the compliment by inviting Admiral Sir Henry Leach, the First Sea Lord, to cocktails on board the Argentine naval training ship *Libertad*, which had docked in London. As a result of his regular conversations with British naval personnel, Allara had returned to Argentina convinced that neither the Foreign Office nor Leach regarded the Falklands as a priority issue. Nor did he think that the British suspected an invasion in the near future. On the contrary the recently elected Thatcher Government seemed to be somewhat embarrassed by the anti-junta campaign of the human rights groups and anxious to deepen the traditional links between the Royal Navy and Argentina, which in recent years had led to the supply of a generous assortment of equipment and training facilities, including destroyers, communications equipment and helicopters.

Some sectors of British industry and of the military establishment could not forgive the Labour Government for its refusal in 1978 to receive officially the then navy chief Admiral Massera—a move considered to have been behind Argentina's decision to ditch a planned purchase of British frigates and turn to West Germany instead. During Allara's posting, which coincided with the first years of Mrs Thatcher's premiership, activity seems to have returned to normal at the Argentine navy's "naval commission"—a group of Argentine naval officers who co-ordinated arms purchases from an office in Vauxhall Bridge Road on the same street—irony of ironies—as one of the offices belonging to M15. Given such complacency it is hardly surprising that the renewal of military training facilities under the Thatcher Government was extended to include junior Argentine naval officers enlisted by SIN.

★

As important in forging the junta's views on how the world saw Argentina, and therefore in completing the essential diplomatic context motivating the decision to invade the Falklands, were the dealings senior officers had had with the United States.

After the Carter years, the junta moved to encounter the open collaboration of Reagan. Since 1977 the Argentine military had given open support to anti-Marxist forces in Central America, providing Somoza with arms in Nicaragua and training death squads in El Salvador, Guatemala and Honduras. They had willingly filled the vacuum left by Carter, gaining a reputation as gallant crusaders once Reagan came to power. The US Administration saw in the Argentine military a useful ally which would help them to do the work the American military could not at the time do openly without provoking a national outcry over a second Vietnam.

US officials have always denied that at any stage the Reagan Administration hinted that it would remain neutral in the event of an Argentine invasion of the Falklands as a tacit exchange for Galtieri's generous backing in Central America. What is certain, however, is that the junta and its "Malvinas" task group convinced themselves that Wash-

Continued Page III

The Long View

Waiting for a gilt-edged chance

Government stocks lack the yuppie appeal of equities but the running returns are highly interesting and, says Anthony Harris, there could be some strong capital gains (tax-free) as well at a time when equities look exposed

IT IS a long time since Oscar Wilde's Lady Bracknell found that Cecily's most compelling claim to the affections of her nephew, Algernon, was a holding of $100,000 in the Funds, or Sherlock Holmes had to investigate the fate of young ladies murdered or bigamously married for much smaller gilts portfolios.

Indeed, most readers are probably too young to remember that trustees used to be compelled to hold a large proportion of the funds under their care in government stocks. It was the repeal of that Act which started the cult of the equity in the 1960s.

Gilts have remained out of fashion for personal investors ever since, squeezed between income tax and inflation, and for the most part the fashion has been right. All the same, there are times when the fashion should be ignored.

The last great gilts boom was in 1982, when a holder at the long end enjoyed a profit of nearly 50 per cent in six months, a profit which became tax-free in another six. That was when long yields fell from the absurd high point of over 16 per cent, which they should never have been allowed to reach; and you might well feel that with long yields now a shade under 9 per cent, history cannot now repeat itself.

All the same, many investors are now feeling queasy about the endless new highs on the equity market, as I know from my postbag. Anyone who feels like that—and, indeed, anyone who is not unduly greedy—ought to think about gilts from time to time. They are still essentially a speculative investment for the personal holder—building societies and National Savings offer a much better running yield—so what we are talking about is quite a sophisticated exercise in timing.

You might already have concluded that this article is weeks or even months too late; and, indeed, holders of interest-bearing deposits have missed an attractive switching opportunity. However, although the gilts market has been strong for some time now, the equity market has been stronger. A switch by an equity-holder would have shown a money profit but a lost opportunity.

The equity market itself does now begin to look a little exposed, though. This judgment is not based on market action. On the contrary, the market looks technically almost indestructible.

The market-makers are clearly short of stock and have tried repeatedly to provoke some selling by marking prices down on every plausible bit of bad news. This tree-shaking has been a flop; every such effort has been swamped within hours by bargain-hunters.

The fundamentals, on the *other hand*, are not really quite as encouraging as investors now seem to assume. This British picture looks steadily brighter, with rising output, strong exports and good profits — exactly the bull points I have been stressing for some time. However, the market might by now have fully discounted the good news from Britain while overlooking the much less good news from other places.

Remember that an endlessly rising market cannot be supported simply on good news; it requires endlessly *improving* news. That can hardly be found now outside the UK; the news from Germany, Japan, France and Australia, along with world growth and trade forecasts, has been getting steadily worse and that must mean harder selling and tighter margins for the British trader.

The likely economic background, then, looks like this. Britain will have strong output and exports but a weak current account (in spite of the astonishing figures this week) and price competition will be quiet tough, even in the home market. This suggests that the numbers for both profits and inflation could well fall short of recent forecasts; poor news for stock markets, good news for interest rates.

A continued decline in world bond yields would certainly be a helpful background for British government stocks; and with strong exports and low inflation, international investors may well regard the UK yields, some 3 per cent higher than they can get in the deeply suspect dollar market, as irresistible. Their doubts will not be economic but political.

This is both the risk and the opportunity for a gilts switch (and you never get one without the other). Investors fear the unknown, and clearly foreign investors regard the Alliance as a total unknown; their nervousness was clearly visible only two days ago when gilts fell on a strong Alliance performance in one opinion poll, despite the trade figures. This risk becomes an opportunity if you regard the Alliance prospects as overstated, or if you regard the Alliance itself as no great menace.

The policy question is reviewed in a circular which has been sent out today by Greenwell Montagu, and it concludes that Alliance policies look on the whole quite sensible. Their job-creation programme is not, after all, very much more ambitious than that which has been urged, in season and out, by the Confederation of British Industry; and although it would involve higher borrowing than Chancellor Nigel Lawson has chosen to budget for, it would still fall within the targets he laid down a year ago.

What is more (my own point, this), spending on job creation is quite a lot better for the balance of payments than the same spending on tax cuts, so Alliance fiscal policy would not run the same risks as a real electioneering Tory Budget (the one Lawson very responsibly did not introduce).

The rest is a matter of swings and roundabouts. A government with Alliance ministers [illegible] almost certainly join the EMS at once, which is a plus [illegible] would start a comprehensive review of public [illegible] which could be threatening

The point is not whether [illegible] support these policies [illegible] simply whether you think the foreign investors overrate the potential dangers they may pose. That is certainly my own view; and it implies that if gilts are knocked by some more opinion polls, I would regard it as a good buying opportunity. On the long view, of course.

•CONTENTS•

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International	15th out of 63	+228.5%
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*Offer to offer basis, net income re-invested. Source Planned Savings 1st February 1987.

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Into uncharted territory

Wall Street

IT IS frightfully old hat these days to get excited about the latest "breakthrough" by the Dow Jones Industrial Average. Arbitrary psychological barriers like 2000 or 2100 on the Dow are about as daunting to today's investors as a red silk handkerchief to a raging bull.

After all, 100 Dow points at the current market level amounts to a capital appreciation of only 5 per cent. It is *hardly surprising then that the* successive falls of the 2100 and 2200 barriers have passed almost unnoticed, with no real signs of faltering or even a pause for breath.

It was the same story with last Friday's easy ascent over the 2300 record. So effortlessly, in fact, did the market clear 2300 *that* Mr Robert Prechter, the Elliott Wave theorist who is one of Wall Street's most fashionable gurus at present, for forced to add another twist of optimism to his already bullish market forecast. *Previously he had believed a short-*term market retreat was likely at around 2300, in what would continue to be a long-term bull market.

After the 64 piont gain in the Dow on Friday and Monday, he has instead concluded that the necessary consolidation phase of the bull market is already over and stocks are now poised for even more decisive upward moves. A Dow of 2500 is onw clearly in the market's sights, and there is no longer a fairytale lilt to the talk of "3000 before the bull run is over."

Yet there is another round number which focusses attention on some of the more important milestones which the market will have to pass before it reaches the end of the rainbow.

On Monday this week the Standard & Poors 500 index *closed at 301.16, the first time* in history it has risen above the 300 level.

*It is the relatively broad-*based S&P, not the Dow, which serves as the statistical base for the valuation data which can be used for fundamental anlysis of the New York stockmarket's prospects and performance. The 300 level on the S&P index provides a natural point to look back at earlier historic peaks in Wall Street's performance and ask just how high is high?

In their latest weekly portfolio perspective, Shearson ehman Brothers have engaged in just such an exercise. The conclusion they came *to* is that "the bull market continues" and any correction will be *limited to less than 10 per cent.* But it is easy to reach a very different conclusion from their own figures.

Wall Street is rapidly approaching totally uncharted territory and, on the basis of past history, it may be the upside potential, not the scope for a correction, that is limited to 10 per cent or so. *Consider,* for example, the inflation-adjusted level of today's *market.*

One of the most convincing explanations of the power and breadth of the current bull market is a version of the "disinflation" theory. This states quite simply that stock prices, corporate profits and dividends missed out, in the 1970s, on the raging inflation which took *place in wages and the prices* of goods, services, commodities and other assets.

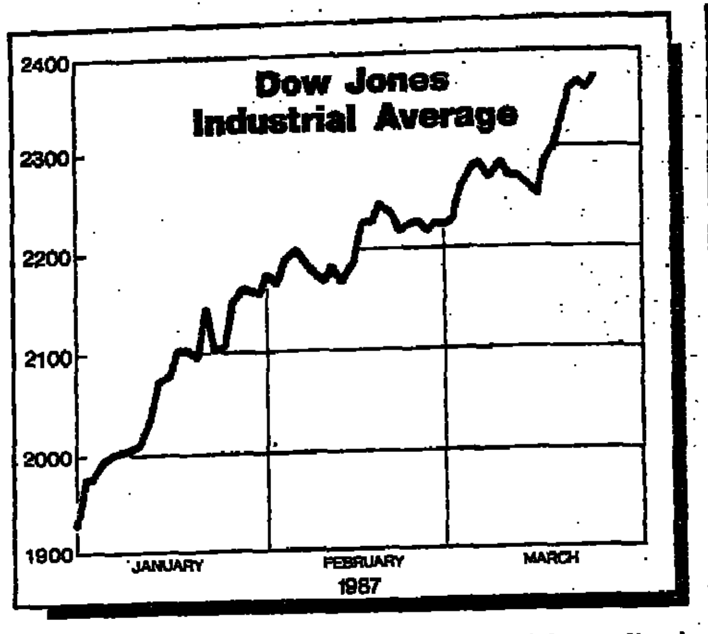
After commodity price and wage inflation were squeezed out of the international and US economy in the early 1980s, stockmarkets throughout the world have been engaged in a catching up process

Having reached 300, the S and P index is now only 12 per cent below the peak level it hit in December 1968 — in inflation — adjusted dollars. The *dividend* yield on the S and P 500 is now 2.9 per cent, which compares with an all-time low of 2.64 per cent achieved in January 1973. The price earnings ration of the S and P 500, which is currently 19, compares with an all-time peak of 22, hit in the late 1960s.

All these comparisons can, of course, be taken to imply that Wall Street has at least another 10 to 15 per cent to go before it becomes historically "overvalued." This is the interpretation which is currently in *vogue.*

It is worth harking back to the late 1960s, however, before taking too much comfort in this historical comparison. The market peak at the end of 1968 came *after almost* 15 years of steady increasing stock prices and was the climax of the fastest and healthiest period of worldwide economic growth in history.

That, at least, was the way it looked at the time. In retrospect, it is now apparent that the late 1960s were also the *point* at which a massive inflation of international monetary growth and deficit spending by the US government were laying the foundations for more than a decade of recurrent recession and a bear trend in equities which took 14 years to reverse.



MONDAY	2363.78	+30.26
TUESDAY	2369.18	+ 5.40
WEDNESDAY	2363.49	− 5.69
THURSDAY	2372.59	+ 9.10

Anatole Kaletsky

HIGHLIGHTS OF THE WEEK

	Price y'day	Change on week	1986-87 high	1986-87 low	
FT Ordinary Index	1620.6	+21.7	1625.2	1094.3	Confidence in the economy
Asset Trust	105	+23	106	67	Talks with third party
Ault and Wiborg	196	+53	198	31	Sharply improved annual profits
BP	936	+101	946	518	Tender offer for Sohio minority
Caffyns	415	+89	415	168	Persistent takeover speculation
Crowther (J.)	222	+30	222	74	Comment on carpet manufacturers
Extel	556	+71	558	303½	Hope of bid from Mr Robert Maxwell
Freemans	430	−34	484	312	Disappointing results
Helical Bar	890	+215	900	56	Newsletter recommendation
Hickson International	598	+62	598	333	Better-than-expected results
Hogg Robinson	381	+28	392½	263	*Rumoured TSB target*
International Leisure	188	+29	188	94	Bid discussions
Lewmar	150	+35	151	91	Merger talks in progress
Owners Abroad	81	+20½	87½	23	Newsletter comment
Pentland Inds.	755	+105	755	141½	Results/2-1 scrip issue
Quick (H. and J.)	230	+54	230	50	Persistent takeover speculation
Scott Greenham	251	+56	251	102	Agreed bid from BET
Standard Chartered	837	+60	895	420	Revived takeover speculation
Stonehill Holdings	108	+34	118	66	Bid approach
Wellcome	448	−49	521	156	Profit-taking/competition fears

US sections affected

Results due next week

BUNZL, the paper and packaging company, helped by about 20 acquisitions made over the year, should push its pre-tax profits to £65m, compared with £42.7m in 1985, when the results are announced on Tuesday.

All divisions look set to turn in good performances except the US, which accounts for about 35 per cent of profits. Exchange rates movements will have an adverse effect here.

United Parcels, acquired for £95.2m in October 1985, will contribute a full year's profits for the first time. Profits will also be helped by interest on the proceeds from the group's *£191m rights issue last September.*

Kleinwort Benson Lonsdale, the financial services group, was one of the leading merchant banking advisers during the takeover boom of 1986. Its corporate finance activities are expected to provide one of the main engines of growth when it reports its 1986 results on Tuesday.

The figures should also give an indication as to how its own takeover—of the Grieveson Grant broking business—is faring under Big Bang. Analysts are going for around £94m to £97m pre-tax, against £60m last time.

Results for 1986 from **Reckitt & Colman**, to be announced on Thursday, will show large contributions from operations in the US and Europe.

Pre-tax profits of about £143m are expected, compared with £123.4m in 1985. In 1987 this growth will be enhanced by full-year contributions from Durkee, food producer, and Gold Seal, *bath and laundry* products manufacturer, both acquired in 1986 and based in the US.

Most of last year's growth is expected to have come from household goods and toiletries. In the food and wine division, sales will have fallen because of adverse exchange rates. But in the pharmaceutical *division* a strong performance from Europe should offset a weaker *performance in the US.*

Abbey Life, Britain's second biggest writer of unit-linked life assurances, has had a fairly flat couple of years for new business, and it has only recently started to pull itself out of the slack patch. It will be too soon, then, to expect any great leap forward in net profits when the *figures for 1986 come* out on Wednesday.

Investment income on retained surpluses forms a solid core for Abbey Life's profits, and this should have shown some benefit from the buoyancy of the equity markets last year. But the most reliable indicator of future performance is the increase in new initial commissions. *This tends to translate* into profits two years later.

On the basis of poor sales in 1985, then, analysts are expecting a modest growth in net profits for last year. The range is £38.5m to £40m against £34.6m last time.

Since 1980 **Sun Alliance and London and Guardian Royal Exchange** have tended to notch up the best underwriting results in Britain's composite *insurance sector.* Arguably, that has been because of their relatively small exposure to the US, which provides less than 10 per cent of their non-life premiums.

So — logically — neither company's figures for 1986 should show so dramatic an upturn as Royal, General Accident, or Commercial Union, both of which reported in the last five weeks.

Half of SA and L's business is in the UK, where relatively mild "catastrophe" experience in the last half of 1986 should have helped—in spite of the continuing woes on UK motor insurance. But GRE — which reported a dismal £3.5m pretax profit for 1985, after big losses on professional indemnity insurance — *has* more room for recovery. Wood Mackenzie has forecast 1986 *pre-tax figures of £145m* for GRE, and £155m for SA and L.

Burton Group, the high street retailer, has recently figured in the news more for the high remuneration levels of senior managers and the personal life of Sir Ralph Halpern, the chairman, than for the underlying trading performance of the group.

On Thursday it is expected to unveil interim pre-tax profits *of between £90m to £95m,* compared with £74m at the same stage last year. The word is that its "core" womenswear and menswear chains have performed well

Company	Announcement due	Dividend (p)* Last year Int.	Final	This year Int.
FINAL DIVIDENDS				
Abbey Life	Wednesday	2.2	4.7	2.5
Acorn Computer	Monday	—	—	—
Amari	Monday	3.0	3.2	3.0
AMEC	Wednesday	4.0	7.0	4.5
Arcolectric	Tuesday	0.2	0.4	0.2
Aurora	Wednesday	0.3	0.6	0.5
Baillie Gifford Tech.	Tuesday	—	1.5	—
Billam J.	Thursday	1.4	2.1	1.5
Bipel Group	Monday	—	—	—
Blackwood Hodge	Monday	—	0.5	—
Blockleys	Tuesday	10.0	16.0	11.0
Boustead	Monday	—	—	—
Breedon and Cloud Hill	*Friday*	*3.0*	*7.0*	*3.2*
British Printing and Comm.	Tuesday	4.0	8.0	6.0
British Syphon	Monday	1.2	1.7	1.7
BSG International	Thursday	0.4	0.7	0.4
Bunzl	Tuesday	1.4	1.9	1.7
Campari International	Monday	0.5	0.5	0.6
CCA Galleries	Monday	—	1.0	0.8
Christies International	Tuesday	1.5	4.0	1.5
Coates Brothers	Thursday	1.4	3.2	1.7
Combined English Stores	Tuesday	2.4	4.3	3.0
Cookson Group	Thursday	2.4	5.3	2.7
Debfor Holdings	Tuesday	—	0.6	—
Dwek Group	Monday	—	—	2.0
EBC Group	*Monday*	2.1	3.6	2.2
Elys (Wimbledon)	Monday	1.0	8.5	1.0
Emess Lighting	Monday	2.2	3.3	2.3
Empire Stores (Bradford)	Thursday	0.5	3.2	1.5
Estates and General	Monday	0.8	1.6	0.9
Evans Halshaw	Tuesday	—	—	0.7
Executex Clothes	Monday	—	2.0	1.5
Gaskell Broadloom	Tuesday	2.0	3.5	2.0
Geers Gross	Friday	1.5	1.5	1.5
Geest	Tuesday	—	—	—
Grampian Holdings	Tuesday	1.3	2.6	1.5
Guardian Royal Exchange	Wednesday	9.0	17.0	10.0
Halstead, James	Monday	1.5	2.5	2.0
Hunting Petroleum	*Thursday*	2.5	6.0	3.5
Jacks, William	Monday	0.7	0.8	0.8
Jove Investments	Tuesday	2.5	—	2.6
Kleinwort Benson G.H. Fund	Wednesday	—	—	—
Laing, John	Thursday	2.0	6.0	2.5
Laird Group	Thursday	2.4	3.6	2.9
London and Edinburgh	Tuesday	2.5	3.7	—
London and Manchester	Thursday	2.0	3.9	2.3
London and Scottish Marine Oil	Tuesday	50.6	48.3	22.2
Manders	Monday	2.1	6.0	2.8
Marley	Wednesday	1.4	2.3	1.4
Martin, Albert	Tuesday	1.2	2.4	1.3
Morrison, William (Superma)	Thursday	0.3	1.0	0.4
NMW Computers	*Tuesday*	2.5	3.5	2.5
North Midland Construction	Wednesday	—	0.3	—
Peek Holdings	Tuesday	—	—	—
Plasmec	Monday	1.0	—	0.7
Quick, H. and J.	*Tuesday*	0.6	2.2	0.7
Reckitt and Colman	Thursday	6.0	10.0	6.7
Richardsons Westgarth	Monday	—	—	—
Rugby Portland Cement	Monday	2.9	3.5	3.1
Scottish Heritable Trust	Tuesday	1.4	1.6	1.6
Senior Engineering	Tuesday	0.8	0.9	0.8
Slough Estates	Monday	2.2	3.3	2.5
Sun Alliance and London Insur.	Wednesday	5.7	11.7	7.5
Sun Life Assurance	Wednesday	9.3	14.4	10.4
Telfos Holdings	Tuesday	1.2	1.6	1.4
Tilbury Group	Wednesday	1.5	3.8	1.8
Turriff Corporation	Tuesday	—	7.0	—
Weir Group	Thursday	0.7	2.1	1.0
Wilson (Connolly)	Tuesday	0.6	1.4	0.8
Worcester Group	Tuesday	2.2	—	—
INTERIM DIVIDENDS				
AB Electronics	Tuesday	2.0	8.0	
Beazer, C. H.	Tuesday	1.5	3.1	
Burton Group	Thursday	1.6	4.1	
Druck Holdings	Thursday	1.8	2.6	
Ferry Pickering	Thursday	1.4	2.1	
Ibstock Johnsen	Wednesday	1.5	3.3	
Maxiprint	Tuesday	—	—	
Save and Prosper Sterling	Monday	—	0.2	
UBO Holdings	Monday	0.6	1.0	

* Dividends are shown net pence per share and are adjusted for any intervening scrip issue.

Quality, not quantity

Junior Markets

THE THIRD MARKET hit another low last week when the index compiled by Credit Suisse Buckmaster & Moore dropped by 10 per cent to 80.5. That, combined with the low rate of entry to the new market, inevitably poses the question of how far it is living up to expectations.

The index alone is an unsatisfactory yardstick because a poor performance in the early stages was predictable. Many existing shareholders would inevitably *take the opportunity* of selling shares when their companies came to the market, a time when buyers would still be inclined to adopt a cautious approach.

Further, about 35 per cent of the Third Market's total capitalisation is accounted for by just one company, Eglinton *Oil and Gas, so the index tends* to follow Eglinton's share price performance. Last week Eglinton fell by 22 per cent, so it is hardly surprising that the market as a whole was so badly down.

Of slightly more concern is the low rate of entry. The Stock Exchange had originally hoped *that* about 25 companies would join the Third Market in its early stages. Instead, only eight joined on the first day, and at the end of the first nine weeks, the figure has still only grown to 11.

The Stock Exchange has an explanation for this. "When the USM was formed there were one or two spectacular crashes in its first year, so we are taking much more care to ensure that sponsors accept responsibility for the performance of the companies they bring to the Third Market.

"This means that sponsors *are being much more choosy in* assessing the suitability of would-be entrants, and we know that some have a high rejection rate. But there is no shortage of candidates, and we are still hoping to see a figure of 60-70 companies on the market by the *end of the year.*"

Peter Droussiotis of Credit Suisse feels that may be a little optimistic. He does expect the rate of entry to pick up sharply, but not until next year when BES companies start to reach maturity at the end of their first five years.

In any case, he says, quality *is far more important than* quantity to the market's success. So far the institutions have taken little interest in the Third Market and they are unlikely to do so if it becomes tarred with a bad image.

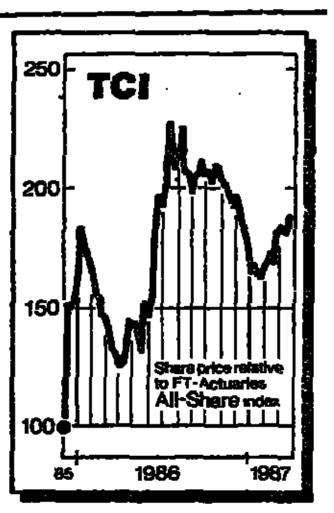
"About 50 per cent of the companies who have asked us about the possibility of entering *the Third Market have in* our opinion been unsuitable either because of poor management or an inadequate business plan. Our greatest fear is that some of these companies will find their way on to the market through some other channel," Droussiotis says.

The sort of company which Droussiotis might possibly have welcomed with open arms is Technical Component Industries, the specialist engineering *group which this week pro*duced its first set of preliminary figures since joining the USM in December 1985.

TCI is chaired by Hugh Sykes, the man who also chairs the USM high-flyer, Thermal Scientific. The latter company has achieved 60 per cent compound earnings growth over *the last three years, so not sur*prisingly TCI has also attracted a considerable following of its own. Few of its fans were disappointed by the increase in pre-tax profits from £302,000 to £658,000 for 1986.

This year the analysts are forecasting profits of around *£1.25m for TCI,* producing a *fairly weighty* prospective price/earnings ratio of 18 or so at 385p. And yet there could still be some leeway in the price.

About six months ago, TCI bought a small component manufacturer called *TKR. This* might be worthy of little attention were it not for the fact that *TKR has developed a process* called super plastic forming, a major development in the manufacture of titanium components for the aerospace in*dustry. TKR claims a lead of* several years over its closest rivals in this technology.



TCI is doubling production capacity at TKR this year and has plans to double it again next year. Since TKR's contribution will be at considerably higher margins than those on the existing businesses, the implications for pre-tax profits could be considerable and may not have been fully discounted in brokers' forecasts.

There is no guarantee that TCI will soar: new technologies *can bring new problems, and* the aerospace industry tends towards cyclicality. Yet Hugh Sykes's track record suggests that like Thermal Scientific, TCI is still a stock well worth watching.

Richard Tomkins

INTEREST RATES: WHAT YOU SHOULD GET FOR YOUR MONEY

	Quoted rate %	Compounded return for taxpayers at 29%	45%	60%	Frequency of payment	Tax (see notes)	Amount invested £	Withdrawals (days)
CLEARING BANK*								
Deposit account	4.00	4.07	3.15	2.29	monthly	1	—	0-7
High interest cheque	6.20	6.35	4.92	3.57	quarterly	1	1,000-4,999	0
High interest cheque	6.60	6.76	5.24	3.81	quarterly	1	5,000-9,999	0
High interest cheque	7.00	7.19	5.56	4.05	quarterly	1	10,000 minimum	0
BUILDING SOCIETY†								
Ordinary share	6.00	6.09	4.72	3.43	half yearly	1	1-250,000	0
High interest access	7.75	7.75	6.00	4.37	yearly	1	500 minimum	0
High interest access	8.00	8.00	6.20	4.51	yearly	1	2,000 minimum	0
High interest access	8.50	8.50	6.58	4.79	yearly	1	5,000 minimum	0
High interest access	8.75	8.75	6.78	4.93	yearly	1	10,000 minimum	0
90-day	8.75	8.94	6.93	5.04	half yearly	1	500-9,999	90
90-day	9.00	9.20	7.13	5.18	half yearly	1	10,000-24,999	90
90-day	9.25	9.46	7.33	5.33	half yearly	1	25,000 minimum	90
NATIONAL SAVINGS								
Investment account	11.75	8.34	6.46	4.70	yearly	2	5-100,000	30
Income bonds	12.25	9.27	7.18	5.22	monthly	2	2,000-100,000	90
32nd issue‡	8.75	8.75	8.75	8.75	not applicable	3	25-5,000	8
Yearly plan	8.84	8.84	8.84	8.84	not applicable	3	20-200/month	14
General extension	8.70	8.70	8.70	8.70	quarterly	3	—	8
MONEY MARKET ACCOUNTS								
Money Market Trust	7.24	7.37	5.71	4.15	half yearly	1	2,500 minimum	0
Schroder Wagg	6.54	6.74	5.22	3.80	monthly	1	2,500 minimum	0
Provincial Trust	7.85	8.14	6.30	4.58	monthly	1	1,000 minimum	0
BRITISH GOVERNMENT STOCKS§								
7.75pc Treasury 1985-88	8.65	6.38	5.13	3.95	half yearly	4	—	0
10pc Treasury 1990	9.04	0.18	4.61	4.13	half yearly	4	—	0
10.25pc Exchequer 1995	9.15	6.29	4.71	3.23	half yearly	4	—	0
3pc Transport 1978-88	6.75	5.85	5.35	4.89	half yearly	4	—	0
2.5pc Exchequer 1990	6.63	5.84	5.41	5.00	half yearly	4	—	0
Index-linked 1990¶	6.42	5.84	5.52	5.21	half yearly	2/4	—	0

* Lloyds Bank. † Halifax. ‡ Held for five years, currently suspended. § Source: Phillips and Drew. ¶ Assumes 4 per cent inflation rate. 1 Paid after deduction of composite rate tax, credited as net of basic rate tax. 2 Paid gross. 3 Tax free. 4 Dividends paid after deduction of basic rate tax.

هكذا من الأصل

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Abbeycrest	Dec	1,900	(760)	18.4	(7.2)	4.0	(—)
Alida	Dec	3,810	(2,780)	22.1	(15.5)	8.0	(6.5)
ASD	Dec	2,430	(2,620)	23.1	(24.2)	8.5	(—)
Asset Trust	Dec	1,040	(309)	4.0	(1.2)	3.0	(0.7)
Automated Sec	Nov	12,400	(8,700)	13.3	(12.8)	1.8	(1.5)
Associated Book	Dec	8,090	(7,600)	17.1	(15.6)	6.0	(5.6)
Ault & Wiborg	Dec	3,000	(1,700)L	—	(—)	—	(—)
Babcock	Dec	37,100	(34,550)	16.3	(17.9)	8.7	(—)
Baird W.	Dec	18,650	(14,550)	42.9	(37.9)	14.8	(12.9)
Banro Intl	Dec	2,530	(1,620)	17.6	(12.5)	5.8	(—)
Barker C.	Dec	3,430	(2,820)	10.3	(7.2)	3.0	(—)
BAT	Dec	1,390,000	(1,170,000)	53.5	(45.7)	14.3	(11.7)
Bemrose	Dec	3,510	(1,620)	22.4	(5.2)	9.0	(5.0)
Berkeley Hay-Hill	Dec	811	(535)	0.7	(0.5)	—	(—)
Bestwood	Dec	2,430	(929)	7.5	(4.8)	2.0	(2.0)
BICC	Dec	101,000	(92,000)	22.7	(20.3)	11.7	(11.6)
Bilston & Batt	Dec	524	(315)	8.2	(4.8)	0.7	(—)
Booker	Dec	54,600	(46,500)	27.9	(24.2)	13.7	(12.0)
Bowthorpe	Dec	28,000	(23,240)	35.8	(29.1)	8.1	(7.0)
Bredero Prop	Dec	2,900	(2,050)	13.5	(11.8)	4.2	(—)
Brent Chem	Dec	7,300	(5,600)	—	(—)	4.5	(3.9)
Briden	Dec	10,400	(16,700)	11.1	(20.4)	5.5	(5.0)
Britannia Arrow	Dec	29,500	(19,700)	—	(—)	5.0	(—)
Brit Aerospace	Dec	182,200	(143,900)	51.4	(56.4)	17.4	(15.0)
Brown Boveri	Dec	9,650	(8,690)	—	(—)	3.5	(3.0)
Bryant D.	Dec	110	(1,440)	3.9	(30.0)	8.1	(—)
Candover	Dec	895	(756)	8.2	(6.2)	7.0	(4.0)
Canning W.	Dec	3,020	(1,150)	9.6	(6.0)	4.0	(3.5)
Cent Ind TV	Dec	16,690	(11,900)	—	(—)	17.0	(12.5)
Cliffords Dairies	Dec	4,520	(3,750)	19.6	(17.3)	8.0	(7.2)
Clyde Pet	Dec	1,000L	(8,600)	—	(8.8)	—	(1.5)
Coats Viyella	Dec	181,700	(143,500)	47.2	(32.6)	14.5	(12.0)
Combined Lease	Dec	2,800	(1,530)	15.6	(12.1)	1.3	(0.6)
Comcap	Dec	7,630	(5,190)	30.3	(20.3)	2.0	(1.5)
Croda Intl	Dec	27,140	(22,890)	15.1	(12.1)	8.0	(7.0)
Davidson Pearce	Dec	3,890	(3,270)	11.7	(9.3)	2.0	(1.5)
Delta	Jan	57,780	(50,610)	24.8	(24.5)	5.0	(4.1)
Derwent Valley	Dec	285	(41)	5.2	(1.4)	4.6	(4.2)
Desoutter	Dec	4,950	(4,700)	25.2	(31.8)	7.7	(7.3)
Ealing Electro	Dec	1,270	(—)	—	(—)	2.3	(1.5)
Eadie	Dec	702	(249)	7.4	(3.3)	1.5	(—)
Earlys of Witney	Jan	402	(304)	—	(—)	1.3	(1.3)
Enterprise Oil	Dec	2,900	(111,100)	10.8	(29.5)	8.5	(8.5)
Forward Tech	Dec	2,460	(1,180)	5.3	(2.7)	0.7	(0.3)
Freemans	Jan	32,370	(28,040)	28.3	(24.8)	8.2	(7.0)
Garfunkels	Dec	4,810	(2,900)	9.6	(7.3)	1.5	(1.3)
Garteas Eng	Dec	621	(554)	13.9	(12.3)	4.0	(3.5)
Gibbs & Dandy	Dec	808	(601)	5.8	(5.3)	2.0	(1.8)
Hall Eng	Dec	5,340	(4,250)	24.0	(20.3)	10.0	(8.4)
Hambro Country	Dec	16,320	(8,660)	18.3	(11.3)	5.0	(4.0)
Hpwrth Ceramic	Dec	41,000	(33,500)	17.2	(12.9)	8.3	(7.2)
Hickson Intl	Dec	15,080	(13,120)	48.0	(39.0)	17.5	(15.0)
Ibstock Johnsen	Dec	18,540	(11,360)	19.4	(13.2)	6.0	(4.9)
IMI	Dec	73,300	(57,800)	17.1	(14.9)	6.0	(5.2)
IPECO	Dec	3,020	(2,960)	7.2	(7.1)	2.8	(—)
Isle of Man Ent	Oct	115	(101)	9.1	(7.7)	4.5	(4.5)
Jacobs John I.	Dec	894	(1,310)	3.3	(4.2)	3.9	(3.6)
Jamesons Choc	Dec	350	(320)	13.8	(8.1)	6.0	(5.0)
Johnson Group	Dec	8,820	(7,650)	43.7	(37.6)	23.0	(20.5)
Jourdan Thomas	Dec	2,060	(1,350)	12.6	(9.4)	4.5	(3.7)
Keep Trust	Dec	2,710	(2,180)	29.3	(21.5)	6.7	(4.5)
Kwik Fit	Feb	11,100	(6,600)	8.9	(6.0)	2.2	(1.7)
Linread	Dec	756	(722)	—	(—)	—	(—)
Lond Park Hotels	Dec	1,650	(1,070)	32.3	(17.3)	10.0	(10.0)
Lopex	Dec	3,580	(2,330)	12.4	(5.0)	4.2	(4.0)
Lowe Hwrd Spink	Dec	7,320	(3,160)	23.3	(17.1)	8.0	(6.0)
Matthews Bernard	Dec	15,070	(12,906)	15.0	(12.3)	3.5	(2.7)
Memec	Dec	4,640	(6,320)	9.6	(12.9)	3.3	(3.0)
Mersey Docks	Dec	2,100	(2,400)	10.4	(9.8)	—	(—)
Metal Closures	Dec	4,930	(3,850)	11.0	(8.3)	7.4	(—)
Monument Oil	Dec	50L	(39)	—	(—)	—	(—)
NEI	Dec	23,200	(40,500)	4.2	(11.4)	5.5	(5.5)
O T & T	Dec	37,200	(31,900)	21.4	(17.5)	9.0	(6.5)
Pantherella	Dec	898	(761)	11.1	(11.2)	—	(—)
PE Intl	Dec	2,220	(1,300)	12.0	(6.6)	3.0	(1.8)
P & O	*Dec*	*174,100*	*(125,800)*	*41.0*	(34.9)	19.0	(16.0)
Pentland	Dec	77,300	(29,900)	45.3	(17.6)	1.3	(—)
Petranol	Dec	1,800L	(3,200)	—	(5.9)	—	(—)
Prudential	Dec	178,100	(110,100)	34.4	(24.5)	29.0	(24.8)
Readymix	Dec	696	(303)	1.9	(0.5)	—	(—)
Rockwood	Dec	154	(1)	1.8	(—)	—	(—)
Rohan	Dec	1,720	(116)	12.4	(—)	5.3	(—)
Roterk	Dec	6,320	(5,460)	13.9	(13.4)	13.9	(13.4)
Ryan Intl	Dec	4,900	(4,630)	3.3	(3.4)	—	(—)
Saga	Oct	278	(4,180)	1.4	(11.8)	4.6	(4.6)
Silkolene	Dec	789	(425)	10.6	(6.0)	6.0	(6.0)
Smith & Nephew	*Jan*	*88,200*	*(70,800)*	7.1	(5.9)	2.8	(2.3)
Spring Ram	Dec	7,000	(4,430)	10.3	(8.1)	1.0	(0.9)
Stag Furn	Dec	755	(1,350)	6.4	(12.8)	5.5	(5.5)
Standard Chart	Dec	254,000	(268,000)	—	(—)	35.0	(29.7)
Stanley A. G.	Dec	3,210	(2,690)	7.8	(5.8)	3.2	(2.5)
Steel Burrill	Dec	5,590	(4,770)	19.9	(15.8)	9.0	(7.0)
Steetley	Dec	46,100	(36,800)	48.1	(36.2)	15.5	(13.0)
Sumit	Dec	327	(403)	5.2	(6.4)	3.7	(—)
Tech Components	Dec	658	(302)	15.1	(8.0)	4.0	(—)
Tibbett & Britten	Dec	3,380	(1,940)	9.1	(6.7)	2.3	(—)
Trade Indemnity	Dec	9,740	(7,990)	26.5	(21.7)	4.3	(2.9)
Tricentrol	Dec	8,300L	(26,500)	—	(27.4)	—	(—)
Trinity Intl	Dec	9,830	(6,690)	54.3	(39.3)	21.0	(15.0)
Utd Newspapers	Dec	56,600	(21,510)	25.3	(27.2)	10.5	(10.0)
VG Instru	Dec	20,110	(14,320)	—	(—)	3.6	(2.5)
Willis Faber	Dec	74,800	(62,080)	26.0	(20.3)	10.7	(8.2)
Wolstenholme	Dec	2,660	(1,300)	28.0	(9.5)	9.0	(7.7)
Wood Arthur	Dec	209	(140)	6.4	(3.9)	2.5	(2.5)
Woolworths	Dec	115,300	(69,200)	47.1	(37.7)	16.0	(10.0)
Wrightson S.	Dec	21,500	(18,280)	28.0	(24.1)	13.0	(10.6)

RIGHTS ISSUES

Astra Industries—To raise £26.96m through a five-for-14 rights issue at 11p.
Iceland Frozen Foods—To raise £10.4m through a one-for-eight rights issue at 300p.
Speyhawk—To raise £26.3m through a two for five rights issue at 385p.
Union Jack Oil—To raise £11m through a one for one rights issue.

OFFERS FOR SALE, PLACINGS AND INTRODUCTIONS

Airtours—Main market placing of 4.7m shares at 180p.
Burford Group—USM placing of 2m new shares at 80p.
Cambridge Instruments—Main market offer of 36.26m shares at 130p.
Melville Street—Stock exchange listing, 4.6m shares at 114p.
Reliance Security—USM placing of 1.8m shares at 140p.
Wyevale Garden Centres—USM placing of 1.08m shares at 120p.

COMPANY NEWS SUMMARY

TAKE-OVER BIDS AND MERGERS

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder
Prices in pence unless otherwise indicated					
Ang Nordic Hldgs	31½*‡	33	23½	2.99	Smidth (F. L.)
Arncliffe Hldgs	75*§	104	98	3.75	Govett Strat In Tst
Avana Group	786§	765	460	274.47	RHM
Baker Perkins¶	334½	331	355	133.40	APV Baker
Barrow Hepburn	78‡	76	42	25.99	BTP
Barrow Hepburn	73½§§	76	72	24.42	Yule Catto
Berisfords¶	176½§§	178	137	9.67	Ferguson Indl
Browns (C.) Car Parts	316*	311	270	18.96	Woolworth Hldgs
Burns-Anderson¶	115*	163	—	23.64	Dudley
Centrovincial Ests	443	320	278	69.54	Gilbert House
Chamberlin Phipps	146	149	130	52.64	Wardle Storeys
Dataserv	191	178	200	62.91	Bell South Corp
Debron Invs	72*§	70	49‡‡	17.05	Interface O'seas
Exco Intl¶	360§§	335	203‡‡	843.14	Brit & Comm
Europa Ferries¶	150½	147	231	348.88	P & O
Feb Intl¶	182½	174	108‡‡	3.16	Tarmac
Feb Intl 'A'¶	123½	118	78‡‡	6.31	Tarmac
Fothergill Hrvy¶	362½	365	178	45.48	Courtaulds
Garner Booth	257	254	248	24.84	Pittard
Grosvenor Group	130§	125	120	8.10	BBA Group
Grosvenor Group	135†§	125	125	8.41	Hollis
Henera	70*	69	57	8.04	Warner-Lambert
Hillards	313½	316	223	154.64	Tesco
Home Farm	205	197	113‡‡	9.57	Sutherland (E. T.)
Hwrd & Wyndham¶	18*§	18	20	3.28	Intermediate Sets
Imp Cont Gas	700*	728	653	995.00	SHV
Imp Cont Gas	710*§	728	710	1.0bn	Tractebel GBL
Jcksns Brne End	445*§	464	428	9.50	Bugge Sind A/S
London & Nth	88½	84	80½	96.34	Evered
London Pk Htls	840	824	700	42.14	Mount Charlotte
Mitchell Somers	281	280	222½	42.11	Eagle Trust
Municipal Props	£34¾§§	£25	£24	18.78	Merivale Moore
Nationwide Leis	77½*	77½	77	8.30	Inspec E. & E. Grp
Norcros	442½	434	396	549.97	Williams Hldgs
Nottingham Brick	415§§	403	363	44.82	Marley
Pantherella	197	193	158	7.89	Gt Universal Strs
Peerless	208	202	176‡‡	27.04	Newman-Tonks
Sarasota Tech	229	226	107	40.41	Peek Hldgs
Scott Greenham	263	251	193	76.34	BET
Standard Secs	285½	273	240	32.94	Local London
Tenby	292¼§§	292	217	51.46	Emess Lighting
Thermax	182	208	175‡‡	21.18	Heywood Wms
Trade Prom Servs	294½§	281	251	17.16	EMAP
Wettern Bros	173§	165	173	2.05	RMC

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Unconditional. ** Based on 2.30 pm prices 27/3/87. †† At suspension. §§ Shares and cash. ¶¶ Related to NAV to be determined. ||| Loan stock. ‡‡ Suspended.

The wind brought few worries

SPRING squalls swept the UK last week — and London dealing rooms failed to escape.

After the post-Budget sunshine, it was the political winds that proved worrisome. Two sucessive opinion polls at the end of the week showed the Alliance moving into second place in voters' packing order — ousting Labour as the main opposition party. That, reasoned the political pundits, could prove good reason for delaying the general election until October.

So the market, which had been bounding ahead to record levels in the early part of the week, started to sag.

The trend started on Wednesday, with Wall Street weaker and international investors sitting on the sidelines. Come Thursday, the FT 100-Share index lost a hefty 21 points in early trading, before rallying to close 5 points down. On Friday, too, market-makers started on a cautious note. But with no sign of significant selling, they quickly shook off the political blues and Footsie (the FT/Stock Exchange index of 100 shares) ended the week at 2048.6—a 31.1 point rise during the five days.

Even the clouds, though, were far from solid. Much of Thursday's recovery was prompted by February's trade figures. These showed a £376m surplus on current account—well wide of the City's gloomier predictions of a £250m deficit. The most-pessimistic Cassandra couldn't help noticing that the improvement came from a reduced non-oil deficit—rising exports and a moderation in the import surge.

Still, the gilts market had got a step or two ahead of itself. After the two recent half points cuts in interest rates, and despite the trade figures, the Bank of England appeared to be signalling caution last week. So prices weakened and the yield on high-coupon longs bobbed back over 9 per cent on Thursday night.

Gold mining shares, in contrast, looked unstoppable. Demand from institutional investors, both in the States and in Europe, pushed the FT Gold Mines index some 45 points higher on Tuesday and Wednesday to a 1986-87 record of 412.4. Buying concentrated on South African stocks—boosted partly by an improvement in the rand and by more positive soundings on the political front.

Best of all, in the busiest week yet for company reporting, no one really came a cropper. True, figures from British Aerospace and Standard Chartered were a mite disappointing. However, Standard Chartered, for which Lloyds lost a £1.2bn bid last year, compensated for its 5 per cent tumble in pre-tax profits to £184m by incurring a lower tax charge and pushing earnings per share 14 per cent higher to 97p. News that the bank—which suffered from a sharp increase in bad debt provision in the Far East and spent almost £7m rebuffing the Lloyds offer—is a lot more cheerful about current year prospects did no harm either. Still contemplating Lloyds possible return—the shares gained 57p to 834p on the week.

London

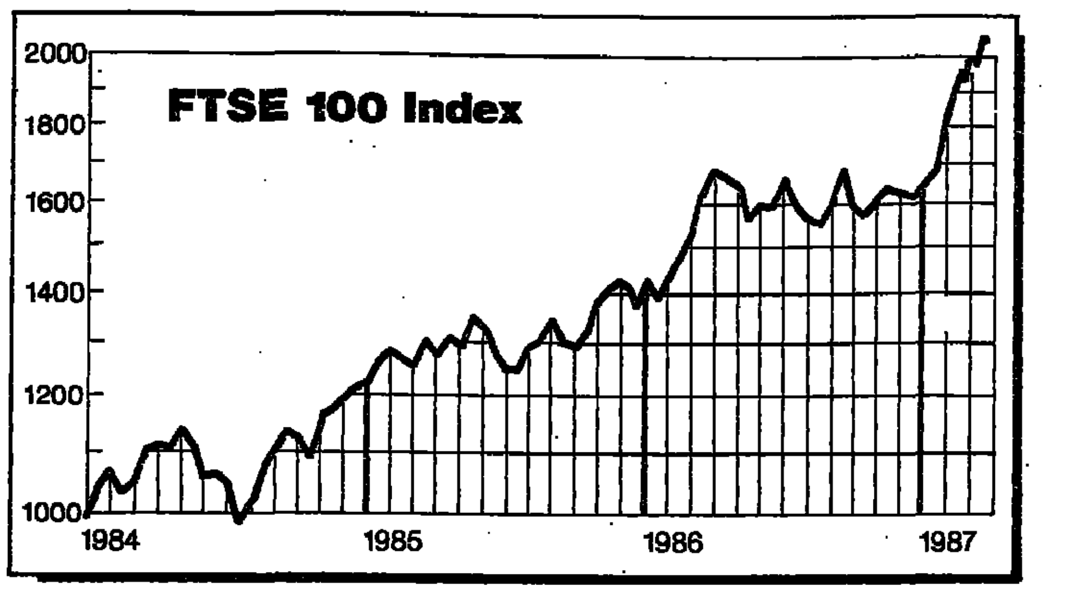
British Aerospace, in contrast, rolled out a 21 per cent profits increase to £182m pre-tax—only to find the City expecting £185m-£190m; its shares slipped 28p to 626p. At the trading level, progress was slight—profits some £6m higher at £217.2m, with the military aircraft contribution slipping and civil aircraft incurring a larger loss. The pre-tax advance was principally due to increased interest receivable and lower launch costs.

But again there was plenty to offset the bad news. The order book at £8.6bn (with only initial orders from the Saudi military business) showed a substantial advance on 1985's £5.1bn. And there is still the launch aid battle plus the possible acquisition of Royal Ordnance to give some spice. If profits head for £225m this year, the shares sit on a PE of around 11, which certainly looks modest enough.

More unrelieved gloom surrounded figures from heavy engineers, NEI and Babcock International — a 43 per cent profits fall to £23.2m, 7.3 per cent advance to £37.1m, respectively. Lucas, the motor components and aerospace group, also proved controversial with its 5 per cent advance in interim profits to £40m pre-tax. Demand in too many areas is still weak and reorganisation is taking a heavy toll; this year, not much over £100m is expected.

But the longer-sighted are now concentrating on £120m by 1988. If that is anywhere near the mark, the prospective PE reduces from just under 11 to nearer 9 — and starts to look more rewarding.

But all the bear points were amply offset by the likes of Smith & Nephew, BATs, Woolworth, plus a clutch of smaller company figures. For BATs, the response to its 19 per cent advance in pre-tax profits at £1.4bn must have been particularly gratifying. The company's hefty diversification away for the core tobacco business worked wonders: while trading profits from tobacco rose 4 per cent, retailing gained 16 per cent, paper 29 per cent and financial services doubled its contribution to £282m. And with analysts predicting around 16 per cent growth in non-tobacco activities this year, £1.6bn-plus could be on the cards. That puts the shares on a more-than-reasonable PE of 8.5.



Over on the takeover front, BP demanded most of the attention with a $7.4bn bid for the 45 per cent of Standard Oil which it does not already own—one of the largest bids ever. For BP's own shares, the news was more than welcome; on Thursday, they jumped 29p to 918p and on Friday were still steaming ahead. The only question-mark is whether the $70 a share offer will prove high enough; BP says it does not intend to raise its terms but Sohio shares promptly swept to over $71.

Back on the domestic scene, Williams Holdings, the acquisitive industrial conglomerate, unveiled its biggest prospective bite to date—a £540m offer for Norcros. The bid will more than double the size of Williams, but the company's enthusiastic following reckons there is plenty of scope for management improvement within Norcros, so marked Williams 2p higher at 752p. Even so, Norcros, won't come without a bitter fight—and probably higher terms. Norcros shares added 28p immediately; by Friday they had edged to 435p.

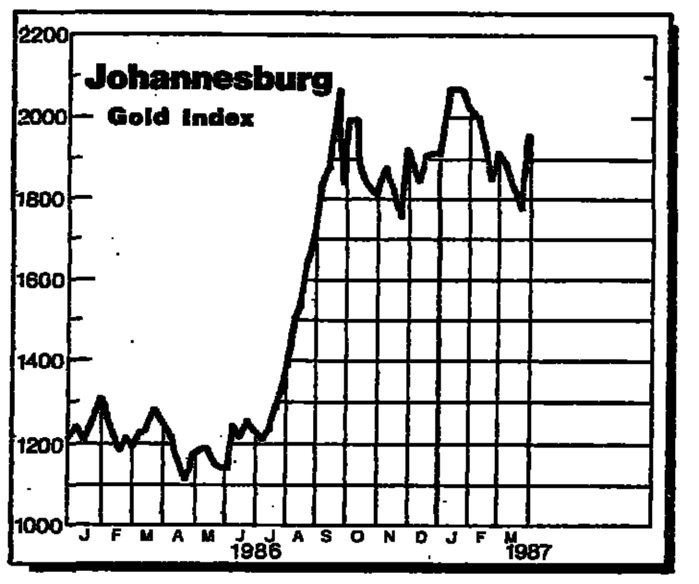
Extel, meanwhile, just roared ahead—adding around 70p to 555p over the week. Come the end of April, Mr Robert Maxwell, the publisher, will be free to bid if he wishes. News that he had increased his stake from 24.7 per cent to 26.4 per cent convinced the City that this is just what Mr Maxwell intends.

In short, with the bulk of the reporting season now passed, those analysts predicting an average 20 per cent profit rise during 1987, look to be on the right tack. If they are, then the market sits on a prospective p/e of around 14—which should (given the international competition) underpin prices for a while yet.

Unless, that is, the political winds really start blasting.

Nikki Tait

Confidence improves



WHEN SOUTH African finance minister Barend du Plessis broke the news of the country's three-year debt rescheduling agreement on Tuesday night he triggered a surge of buying on the Johannesburg Stock Exchange (JSE) on Wednesday. By Thursday, however, the reaction to the re-payment terms, initially bullish, had switched to caution.

Investors at home and abroad remain uncertain about thet market's likely direction after the May 6 election. And, on a more fundamental level, every Johannesburg stockbroker has warned clients that gold mine profits will have fallen sharply in the March quarter. On Wednesday turnover in ordinary shares on the JSE reached a record R129.2m, easily breaking the previous record of R108m established only the day before.

By Thursday the excitement had lost steam. Turnover dropped to R85.4m—though the JSE Actuaries industrial index rose eight points to an all-time closing high of 1,709. The JSE Actuaries all-gold index went the other way, it shed 25 points to close at 1,931 on Thursday.

The relative performances of South African gold shares on the JSE and on the London and New York markets point to shifting perceptions on the merits of investment in South Africa. In Johannesburg the JSE all-gold index reached an all-time high of 2,154 on January 14 this year, apart from some strength in the past fortnight it has generally been drifting lower as South Africans have taken profits. Concurrently, foreigners' attitudes towards investment in South Africa have been transformed. Since the start of the year, the dollar prices of South African gold shares have risen by about 40 per cent as the shares have been re-rated by foreign investors.

Stockbroker William Bowler gives the example of the price performance of ASA, a New York-registered gold investment company which holds South African gold shares. At the start of this year it was trading just below $38 and had advanced fairly steadily to reach $47 early last week. By Wednesday this week the stock was trading at $60.

The effective value of the

Johannesburg

financial rand (which is calculated by comparing the prices of South African shares on the JSE with those on foreign bourses, and which is generally viewed as the bellwether of foreign confidence in South Africa) has increased from less than $0.20 shortly before the start of 1987 to about $0.33 at present.

Of course, the increase in dollar prices of South African gold shares is not entirely due to improved perceptions on South Africa. Canadian and Australian gold stocks have risen sharply even though the gold price itself is sticking slightly above $400 an ounce.

This puzzles Roy McAlpine, the managing director of Liberty Asset Management, who is concerned that gold share prices may have moved ahead too rapidly. He is particularly cautious on the JSE's immediate prospects. He argues that the confidence engendered by the debt repayment agreement will lead to increased real investment which, in turn, will lift interest rates.

The opposite view is taken by stockbroker Richard Stuart. He believes the debt agreement is not onerous, that it will not drain excessive capital out of the economy, and that this will allow the Reserve Bank to hold interest rates down for longer than many investors had expected. This, Stuart says, will help sustain share prices as South African investors will continue to avoid negative real interest rates, and protect themselves from inflation by buying equities.

Crucial to the JSE's performance is the rand gold price. At the start of this year the South African mines were receiving about R870 for every ounce of gold they produced. The rand's advance against the dollar has more than counteracted gold's dollar price advance and at the end of this week the mines' revenue was only R835 an ounce.

Gold mine operating costs are rising at an annual rate of about 20 per cent at present. This, combined with the lower rand gold price, has led mining analysts to warn of sharply lower gold mine profits this quarter. They are also concerned that a dollar gold price advance will lead to a further rise in the rand against the dollar—and further crimp the export earnings of the country's collieries and base metal producers.

On the other hand Johannesburg industrial analysts believe that the favourable debt repayment terms indicate that economic recovery, and the higher corporate profits expected to develop from it, will not be aborted by an excessive drain.

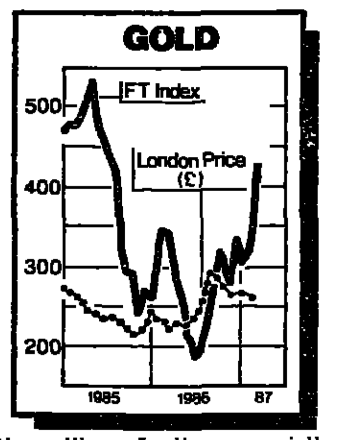
Most analysts agree with merchant banker Alister Colquhoun that the agreement's three-year period is itself encouraging because it allows corporations to plan with greater certainty. Until this week's debt agreement was reached, most planners assumed that creditor banks would again demand an annual repayment of 5 per cent of the debt caught in the South African authorities' standstill net.

The new agreement envisages repayment of 13 per cent of the $13bn remaining inside the net. And repayments are structured to prevent balance of payments constraints hampering the economy's recovery. This has particularly encouraged analysts who chart corporate profit trends.

While the economic fundamentals appear positive, there is far less certainty on the political front. Part of the improvement in foreign investors' confidence in South Africa derives from their belief that reformist candidates and parties will do well at the polls and help re-activate the Botha government's stalled reform programme. Johannesburg stockbrokers concur, however, that the market will be lucky to escape some bad bouts of jitters as the election approaches.

Jim Jones

Sensibilities aside



SOUTH AFRICA may not be the most fashionable place in the world to invest. But this week's performance of South African gold stocks was more than enough to persuade even investors with political sensibilities to put them to one side.

They chased the shares to their highest levels—in sterling terms—since mid-1985. The FT Gold Mines index rose this week from 362.4 to close yesterday at 432.6, an increase of 19 per cent. Since July 1986, when the market's faith in the political future of South Africa hit rock-bottom after the failure of the Commonwealth peace mission, the sterling value of South African golds has more than doubled.

Investors seem to have been influenced by some positive-looking political developments. Dr Denis Worrall's bid to focus moderate opinion in the forthcoming general election has been important in improving South Africa's overseas image a little. For the financial markets, the rescheduling this week of the bulk of the country's debts was at least as significant.

Aside from politics, South African gold shares have been made to look cheap by a 40 per cent (or so) average rise in gold stocks in Australia and North America since the beginning of the year. This has prompted even those stockbrokers keen on

Resources

gold shares to put out blunt warnings.

Peter Miller, of L. Messel, wrote earlier this month: "Prudence suggests the world's gold markets, with the exception of South Africa, are overdue for a correction."

Certainly there is little sign of an imminent rise in the price of bullion, which could in itself justify such large increases in the stock market. Gold has climbed about 6.6 per cent since early January to $416.75 an ounce at yesterday's London close.

Nevertheless, if there is money to be made from trading South African shares, what is the best way of going about it? London brokers say that the best way to play changes in political sentiment is to trade the market leader Vaal Reefs, the bellwether stock. Vaal Reefs leads because it is the best-known stock internationally. Buying Vaal Reefs options traded on the London Stock Exchange is relatively straightforward, although options are, of course, riskier than the shares themselves.

Kloof, Driefontein, and Hartebeestfontein are suitable alternatives among large low-cost South African producers.

Those who want to hold South African shares for longer than necessary to take advantage of a brief bull run—and the fact that shares rose last week does not mean they will rise next week—can look at various possibilities.

Investors hoping for a rise in gold prices should look at some of the high-cost producers, which are most highly-geared to the gold price. Graham Birch, of Kleinwort Grieveson Securities, likes Leslie, especially because, even after the recent price rises, the stock is still yielding about 10 per cent. Harmony is a similar stock.

Beyond that there are more speculative shares, where price changes are more closely related to company performance than to the gold price. Mr Michael Coulson, of Kitcat and Aitken, says that explorers such as Southern Prospecting might one day be exciting. This could be true—always assuming these companies' plans are not overtaken by political events. Exploration is a long-term business.

Stefan Wagstyl

How Argentina caught Britain out

From Page I

ington would not allow itself to become militarily involved in the Falklands. The belief that the US was capable of allying itself with Argentina against its oldest Nato ally showed the extent to which the militarisation of Argentine society had isolated it from reality. The diplomatic miscalulation, so instrumental in pushing the country towards war, was the product of the military's inflated sense of its own importance.

Against this diplomatic background, in mid-February, Lombardo and his team fixed May 15 as a provisional date for the invasion. The fact that the junta had calculated a minimum international outcry and little if no military response from Britain or the US meant that Lombardo could ignore detailed logistics: in June the navy was due to receive a delivery of 14 Super Etendards and their accompanying Exocet missiles. Nor did it matter that the Argentine air force was also only half-way through its re-equipment programme with many of its bombs timed for land as opposed to naval targets. An officer later commented on this period:

"The fact was that the subject of the recovery of the Malvinas was old hat, discussed on countless occasions in the military academies and in the chiefs of staff headquarters. So that, as far as our spirits were concerned, this one more operation that was destined to end up in an archive ... very few of us believed that it would ever really take place."

But higher up the military hierarchy a great deal of importance was attached to Allara's perception of British diplomatic indifference over the Falklands. Although the junta, largely on the insistence of Brigadier Lami Dozo, had in principle agreed that any final decision on the invasion should await the outcome of the latest round of Anglo-Argentine talks scheduled in New York, the navy planners had already begun to look upon Operation Azul with a sense of inevitability.

The New York talks took place on February 26 and 27. The Argentine delegation was headed by Enrique Ros, a career diplomat with long experience of the Falklands issue. Through a mixture of dedication and opportunism he had managed to suppress in public his dislike for what he regarded as an unnecessary intrusion into foreign policy by his military peers. In private he had gone out of his way to impress on the few people he could trust that he was not a soldier in civilian uniform. But while this might have satisfied Ros's political conscience, it kept him ostracised from the inner circle of decision-makers around which the junta's power revolved. He had gone to New York unaware that the junta had planned Operation Azul and set a provisional date for the invasion. On the contrary, Ros intended to focus the talks on fixing a timetable for further talks, and the setting up of a commission to streamline contacts between Argentina and Britain. He did not wish to press the British to accept Argentina's territorial claims—detailed discussion of sovereignty would be left for another round of talks.

Ros seriously underestimated the mood of the junta. He emerged from the meeting fully satisfied that he had achieved a great deal more than any of his predecessors, and quite willing to accede to the British delegation's request for public restraint. The delegation had argued that such restraint was needed if it was to have any chance of winning support for the commission from MPs and island opinion. It too had emerged in an optimistic frame of mind, believing that it had "bought three to six months." Both sides had seriously miscalculated military feelings back in Buenos Aires.

★

On 2 March General Mario Benjamin Menéndez, an officer attached to the Chiefs of Staff, was informed by General Galtieri of his appointment as the future Governor of Las Islas Malvinas. Menéndez later recalled how he was struck dumb at the end of the regular Tuesday briefing at the army headquarters, chaired by Galtieri. It was there that he was informed that a decision had been taken to recover the islands by force. Scarcely pausing for breath, Galtieri then went on to insist that the plan should be kept secret. Until further notice, Menéndez was to discuss his appointment only with his Chief of Staff, General José Antonio Vaquero. Galtieri gave Menéndez no further details of Operation Azul. The future Governor was simply told that he would be flown to the islands and take charge of a military detachment of not more than 500 troops.

"Five hundred only?" Menéndez interjected for the first time. "What about the air force and the navy . . .?"

"Oh, you should look upon the troops as playing the role of military policemen," Galtieri said, "and there will be some people from the air force and the navy, maybe a couple of Pucaras, one or two patrol boats . . . just enough to assert our control over judicial waters."

It was not until the following week, during a further routine briefing at army headquarters, that Menéndez managed to summon up enough courage to express some real doubts about the viability of such an operation. "Look, my General, it's not that I don't want to carry out my mission. It's a responsibility and a very great honour and I have no intention of resigning. But I just want to ask you one question: what is going to be the international reaction to this at a point in time when Argentina and Britain are still officially negotiating the future of the islands?"

Galtieri paused momentarily, then stiffened, cleared his throat, and in a voice that cut their air of the room like a sharp knife, said, "Menéndez, that is none of your business ... it's the junta's problem and no one else's. I just want you to think about being a military Governor."

● *Jimmy Burns was the Financial Times correspondent in Buenos Aires from 1981 to 1986. This extract is taken from his book, "The Land That Lost its Heroes: the Falklands, the Post-War and Alfonsin"; to be published next Thursday, April 2, by Bloomsbury Publishing Company at £12.95.*

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• FINANCE & THE FAMILY •

Free-for-all on pensions

Eric Short looks at the new contribution rules

THE FACILITY for employees to boost their company pension benefits by paying extra contributions, known by the rather uninspiring name of AVCs (Additional Voluntary Contributions) has been available for decades.

However, until now its operation has been entirely at the discretion of the employer and the trustee of the company pension scheme. The scheme had to make the facility available in the first place. And even if there was an AVC facility, employees had to accept the arrangements offered by the trustees — or go without.

The 1986 Social Security Act made it obligatory for employers to set up AVC arrangements for employees. Now the Chancellor is extending that by giving employees the right to make their own AVC arrangements — the so-called "free-standing" AVC.

From October of this year, any employee who is a member of a company pension scheme will be able to set up his own AVC with any of the players in the pensions field — banks, building societies and unit trusts, as well as life companies.

The Inland Revenue is making certain adjustments to its existing rules for the new free-standing AVCs. Employees will no longer have to commit themselves for making contributions for at least five years. Now they can pay on a yearly basis, with the ability to stop and restart payments at the beginning of each year.

Second, an employee taking out a free-standing AVC scheme will pay direct to the provider net of basic rate tax on a Miras basis, and reclaim higher rate tax through his or her tax coding. Employees will no longer have contributions deducted from their salary as with a company AVC.

Although the Revenue is still limiting an employee to only one AVC policy in any year, there is nothing to stop the employee making a fresh arrangement every year.

Thus the employee can build up a portfolio of AVCs, spreading investments.

There are certain limitations imposed, however. The most restrictive is that these free standing AVCs can only be used for buying pensions; there will be no commutation allowed. This means that they cannot be used by themselves to fund pension mortgages.

At present, AVCs through a mainstream pension can be commuted for a tax free cash sum —and the Revenue has not yet made up its mind whether to change this feature.

This feature has other important ramifications for employees.

Under the present system they can get the cash sum from the AVC, leaving the company pension intact to qualify for future pension increases made at the discretion of the company.

Under the new system, the employee has to get his cash sum by converting some of the pension from the main company scheme, leaving a lesser amount of pension to qualify for future pension increases from the employer.

The savings accumulated under the free standing AVC have to be used to buy a pension. If the employee goes for the maximum pension, it will be fixed in money terms. If he goes for an increasing pension the initial amount will be lower, and could fail to match the amount of company pension converted into cash.

THE BUDGET AND YOU

Until this point is clarified perhaps in the Finance Bill— employees need to think carefully before coming out of a company scheme AVC arrangement.

The AVC scheme will need approval by the Superannuation Funds Office (SFD) of the Inland Revenue. It may well not approve schemes based on high risk investments, even though the employee with a mainstream pension secure can afford to be more adventurous in AVCs investments.

Finally, the Revenue is still very wary of employees getting too much benefit out of their pension arrangements. An employees' overall benefit from the company pension, together with the AVC pension must not exceed the existing limit of two-thirds of final salary.

Since the AVC operates on a money purchase basis, an employee paying high contributions and getting an excellent investment performance could find that the benefits have exceeded this limit. In such cases the company benefit is cut back, so that the investor loses some of the contribution and could be stung for a tax repayment bill.

The Revenue says that it is the responsibility of the employee to ensure that the limits are not exceeded. It expects the pension manager, through the actuary of the company pension scheme, to provide information in the benefit statement to help the employee.

This looks a cumbersome arrangement, and many people working in the pensions industry foresee that their desire for a freeing of AVCs may bog down in administration chaos—because the Chancellor has ignored the second part of their recommendation, that AVCs should only be subject to a contribution limit.

Profit link to workers' pay

HOW MANY employees will benefit from the Chancellor's proposals, announced in the Budget, to link individual earnings directly to company performance in the form of profit-related pay?

On the Chancellor's own figure — not many. Or, so Lawson hopes, not many initially. In his Budget estimate the Chancellor suggested that the projected tax relief cost of the profit-related pay (PRP) proposal (a half of PRP will, under the Budget scheme, be eligible for tax relief up to a point where it is 20 per cent of an employee's total pay, or £3,000, whichever is the lower) would be only £50m in 1988-89.

Early calculations by some pay specialists suggest that this may imply a take-up in the first year of as few as 155,000 employees — hardly an attitudinal revolution among employees or a radical relaxation of labour market rigidities.

It may be more than that if only — as some sceptics are already wryly arguing — companies with PRP schemes (and reliable research suggests that about 40 per cent of establishments already feature systems in line with the Chancellor's proposal) come forward to register for the scheme to allow their employees to take up the tax benefit.

It's early days yet: no scheme will be able to be registered until the Finance Bill is enacted, probably in July or early August — and a General Election could complicate that timetable still further.

But already, some employers looking at the Chancellor's proposals are suggesting that Lawson has not dealt with two of the most substantive points made by employers in the remarkablye cool round of responses to his PRP consultative green paper.

The two gain force from coming from opposite ends of the employers' spectrum, and from both being essentially practical points. The first, originally proposed by the toughly-minded, free-market Institute of Directors, is in line with the IoD's character: what's in it for me? Why should I go through the bother and complication of PRP —and despite Lawson's Budget dilsclaimer, the taxation practice of PRP may well be far from simple—if the only tangible result is tax relief for my employees? Theoretically, company performance should improve through increased employee motivation and involvement, and theoretically it should be possible to equalise the benefit in subsequent straight wage negotiations. But if these things don't happen who loses and who wins?

The second point, originally proposed by the Engineering Employers' Federation — often no less tough-minded than the IoD but certainly seen by the Government as the bludgeon to the Institute's rapier — is how will it all work anyway? What will be its practical timetable? Some employers certainly believe that it will become hopelessly confused with normal wage bargaining. Worse still, it will impact directly upon it, with shrewd employee negotiators being able to play off against each other developments in the traditional wage negotiations with those covering PRP. In any case the timespan from audited profit measurement to PRP payment will be so long as to be either unworkable generally or incapable of keeping within a manageable timeframe changes in profit levels. All Lawson has said so far is that payments can be made in the timeform — monthly or weekly — that the PRP employer wants, provided the PRP determination is annual.

Others are even further back along the conviction trail: what happens if there are no profits that year? Even in straitened times for employee militancy, will the workforce accept what would then amount to a pay cut?

PRP may look like an attractive carrot — it may be one, too. With 5 per cent of pay PRP, an employee on average male earnings (estimated for 1987-88 at £227.30 weekly), the value of PRP tax relief would be £79.78 a year. For those on 20 per cent it would be £319.13 a year. Even looking at it one way (especially, looking at it another) with figures like that, it remains to be seen what the take-up rate will be — and with it the success of Lawson's initiative.

Philip Bassett

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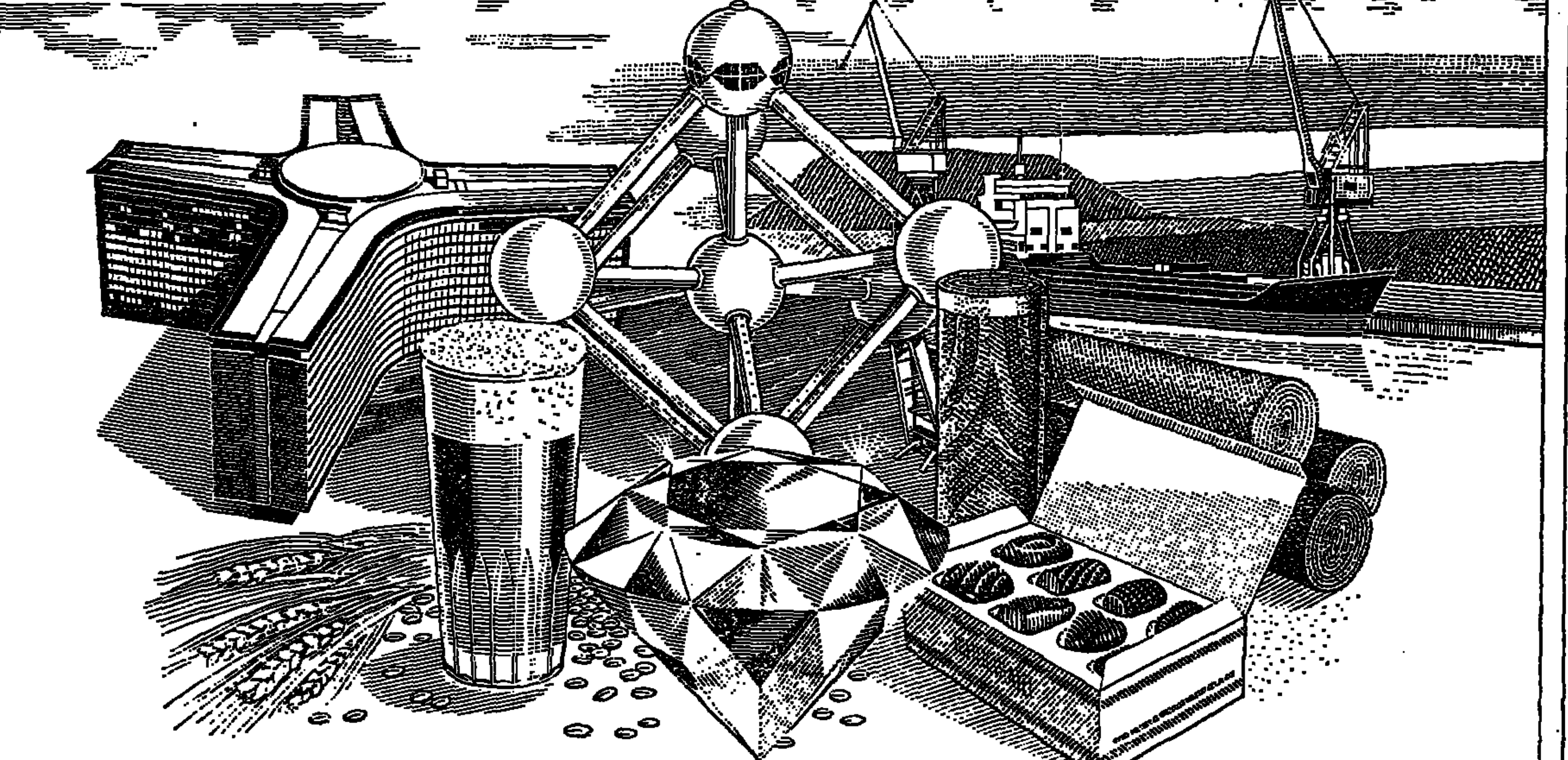

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PROFESSIONAL PORTFOLIOS

One turn for the worse

EVERY YEAR, the Association of British Insurers asks the Chancellor of the Exchequer for equivalent tax treatment between life funds and other investment funds—the aim being to get parity of treatment with unit trusts.

Each year, the Chancellor has ignored the pleas of the life companies and said nothing. But this year he did make a change in life fund taxation—for the worse.

Unit trust funds are not liable for Capital Gains Tax on their funds, but unitholders are subject to this tax when they cash in their units. Life funds pay CGT but there is no tax liability on cash-in of regular premium contracts in force at least 10 years and higher rate tax liability on single premium contracts and regular premiums in force less than 10 years.

The Chancellor in his Budget now proposes that life funds should have capital gains taxed at the Corporation tax rate of 35 per cent instead of the CGT rate of 30 per cent—an increase of one-sixth on the rate.

The Inland Revenue, in its post-Budget briefing, claims that it would add very little to the tax bill of life companies. But some companies are protesting vigorously.

The impact of this move would be mainly on funds that were being run down and having to realise assets. The attitude of life company actuaries towards allowing for a CGT liability in the unit price of funds varies.

Some funds, expanding rapidly, make no allowance on the grounds that it will be many years before assets have to be realised. Other actuaries make some allowance in order to get fairness between different generations of policyholders.

However, the proposal does mean that in practice unit trusts now give an even better return to investors than life bonds investing in the same unit trusts.

Intermediaries, subject to best advice requirements under the Financial Services lisgislation, could find it even more difficult to justify selling bonds instead of direct unit trusts.

The Chancellor also made what he considered to be a very generous concession to friendly societies. Now the limits on tax exempt business will be based on an annual premium of £100, instead of a sum assured limit of £750. This will make very little change for 10-year policies, but enable societies to offer larger policies for longer terms.

The reaction of the societies is summed up as follows:

Peter Gray, chief executive of the Tunbridge Wells Friendly Society: "The Chancellor's proposals for friendly societies are like throwing a brick to a drowning man. The new tax exempt limit based on annual premiums of £100 is clearly uneconomic for societies.

"It is clear that the Government wants friendly societies to wither and die. That is the only interpretation that can be placed on the new measures at a time when financial strength has to be increased to meet the requirements of the Financial Services Act.

"Consulting actuaries for most friendly societies already believe the present limits of benefits and premiums are uneconomic. The societies put their case fully to the Government recently, after commissioning a special report. Obviously, the case has been totally rejected.

"Unless amendments are tabled at the committee stage of the Finance Bill, it seems unlikely many friendly societies will survive for more than a few years as an economic force for good."

Eric Short

Options to keep open

David Cohen looks at the post-Budget tax position on employee share option schemes

THE BUDGET contained a potentially significant concession for employees with share options in a company which is taken over. But the practical value of the new measure is likely to depend upon the small print of the Finance Bill and the attitude of employers.

The new ruling will apply to both savings-related option schemes under the 1980 Finance Act and executive schemes under the 1984 Act.

In either case, options cannot be exercised normally for at least three years. By waiting that long employees ensure that no income tax is paid on the profit.

In spite of the three year rule, most companies do allow earlier exercise in the event of a takeover. But employees who use the opportunity will be liable to income tax at their marginal rate on their option profit, whether or not they sell the shares.

It will rarely be possible to avoid this tax trap. If the bidder is a private company, the options will lapse automatically as soon as the bid has been completed. Although, in theory, a quoted company which makes a takeover can keep a scehme running in its newly acquired subsidiary, in practice it is most unlikely that it would be willing to do so.

So until now, virtually all "taken-over" employees have either lost their options altogether or lost up to 60 per cent of their profit in tax.

The Budget has opened up a potential escape route by allowing options in the acquired company to be exchanged for options in the acquirer. Provided the new option is not exercised before the end of the original three year period, income tax will be avoided.

The detailed rules for option swaps will not be known until publication of the Finance Bill. However, the Revenue guidelines are that the option holder must be "no worse off and no better off" as a result of the switch and the new options must have the same value as the old.

Suppose, for example, that Employee A has an option over 10,000 shares in Oldco at £1 per share and that Oldco is taken over by Newco for £2.50 per share when Newco's share price is £1.25.

Newco has agreed to replace A's existing option with an option over its shares. To preserve the financial position, the new option must reflect A's inbuilt gain of £15,000 (10,000 x £1.50) on his Oldco option. An option over 20,000 Newco shares at £0.50 per share will achieve this objective while also satisfying the Revenue requirement that the options should be of the same value.

A further condition of relief is that the new option should continue to be governed by the old scheme rules. This is bound to cause problems if it is to be applied without exception.

At present, many companies make the exercise of options conditional on the achievement of profit targets. After a takeover, the acquired company will almost invariably cease to be an independent profit centre so the original targets will become meaningless.

Another conundrum which the Finance Bill should solve is whether the new rules will operate only if the bidder already had an approved scheme. That should be unnecessary since the framework of the old scheme will continue to apply.

Assuming all these technical details can be ironed out, the actual impact of the new provisions will depend upon the response of employers. Employees are *not* being given an automatic right to exchange their options on a takeover. The exchange will go ahead only at the invitation of the new employer who may have several reasons for saying no.

A final point to note is that the provisions will presumably not come into force until the Finance Act has received the Royal Assent. But option holders who are taken over between now and then may be able, with employer's co-operation, to hang on until the new relief is available.

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BES beats bans

THE CHANCELLOR had no "nasties" in store for the Business Expansion Scheme in the Budget—no ban on secured contracting, no £1m cap or prohibition on refinancing. But the definite changes he did announce, although positive in theory, will probably be limited in effect.

In the past, the vast majority of BES issues have been crammed into the last quarter of the financial year as investors scrambled to claim their tax relief. The new rules allow investors to "carry back" into the previous financial year up to half of their tax relief:

- Provided that the investment takes place in the first six months of the tax year, and
- Subject to a maximum limit of £5,000.

But the change may not remove the bunching effect. "Because of the £5,000 limit, we don't expect the new rules will make much difference," says John Dodwell of sponsor Chancery Securities. The maximum available relief per investor is £40,000.

Although a few more issues will probably appear in the first half of the financial year, the change will probably not be dramatic. In fact, all that might happen is that issues made at the end of one financial year will probably be extended into the next.

The other definite change will allow film companies to qualify, provided they are engaged in either film production or distribution for the three years.

Further but unspecific changes will be made to the rules covering shipping schemes. The Government is consulting on proposals which would require that all charters will have to be entered into in the UK and that the provisions of crews and the management of ships should take place mainly in the UK.

Philip Coggan

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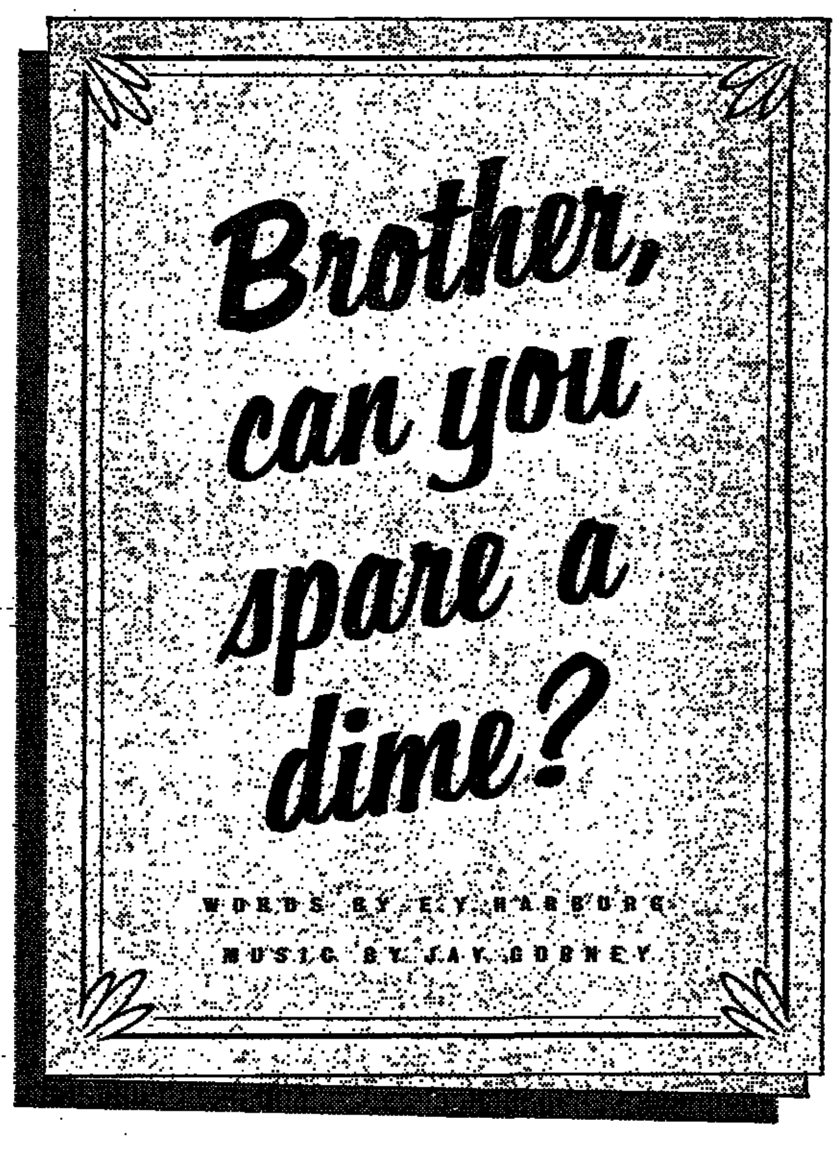

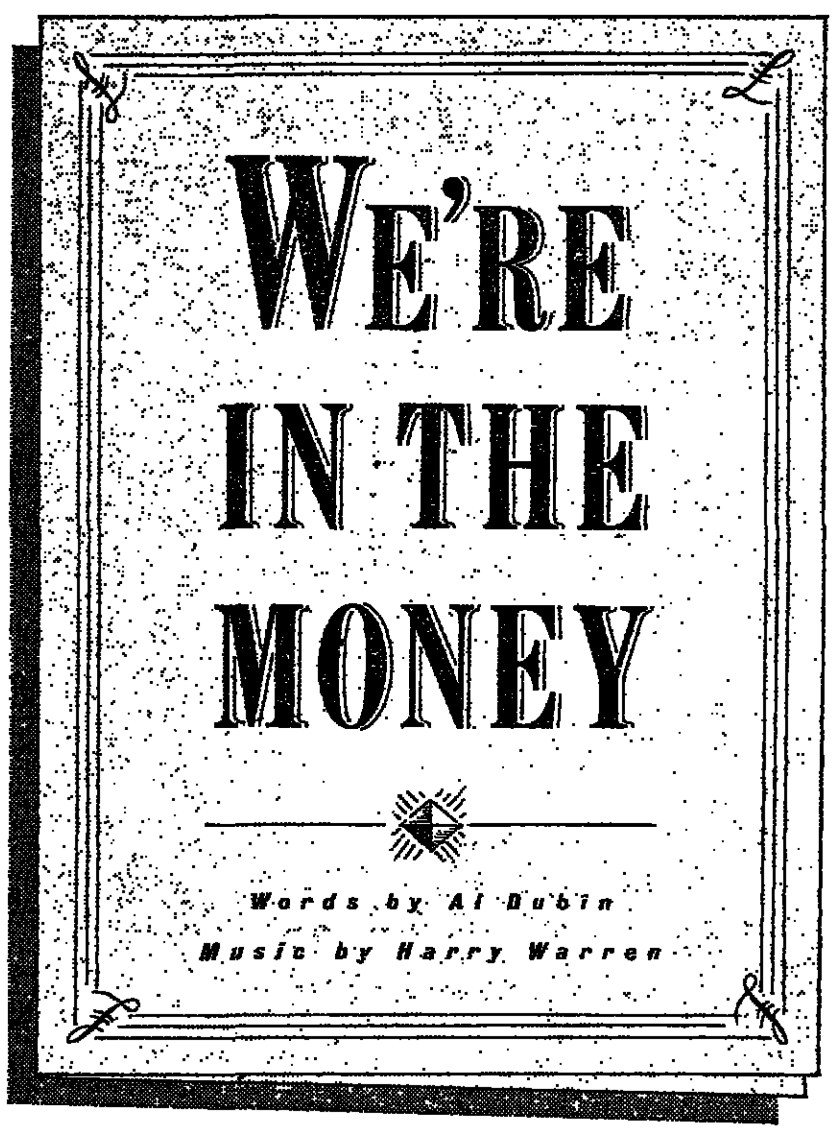

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No-frills dealing hits snags

SMALL INVESTORS who thought that Big Bang had brought regular share-punting within their sights thanks to the advent of no-frills dealing services, have had a glum month.

First, Kleinwort Grieveson withdrew its "Sharecall" service. Not only was this one of the most heavily-promoted no-frills schemes; with a commission charge of 1 per cent subject to a £100 maximum, and despite a recent hike in the minimum charge from £12 to £18, it was also one of the most attractive.

Next, it was the turn of a much smaller private client firm, Charles Stanley, to take similar action. The Charles Stanley "Gold Dealing Service" had only been running since January, and like Kleinwort Grieveson, it offered a 1 per cent dealing rate, with a winning £10 minimum charge. The service is suspended indefinitely —and without wishing to be too precise, the firm suggests any reintroduction could be at least three months away.

Both Kleinwort and Charles Stanley cite the same problem: a massive volume of business, much of it in small, and therefore less profitable, transactions. As Charles Stanley points out, when the back office is strained "our first responsibility is to look after existing clients—most of the dealing-only clients were new."

But the bad news hasn't just hit the no-frills clients of those firms. In the wake of their withdrawal, virtually all firms currently treading the cheap dealing route have either adjusted charges, shut off new clients, or "put the position under review."

Brokers are more cautious about blaming bad debts for this reassessment. Although most admit to encountering a smattering of these, many add that the problem has not been significant. Still, at least one provincial broker now employs a credit agency when taking on new clients instead of relying entirely on bank references — which must say something.

What does cause universal angst is the combination of weekend share-tips — which appear to generate a flood of small orders every Monday morning — and the hassles of trying to fill these quickly with a market-maker in the post-Big Bang, telephone-based dealing climate.

But if those are the explanations, where do they leave the private share punter — either a Kleinwort refugee or a newcomer who is simply seeking the cheapest dealing-only service around?

For a very small investor, the best value at present looks to be London broker, Spencer Thornton, which still has a £10 minimum and a 1 per cent dealing rate. Don't rush, though. The firm is taking on new clients but says it has been deluged with applications; processing references and so on, is currently very slow. Moreover, it hints that the minimum commission may not remain unchanged forever . . .

Walker Crips Weddle Beck & Co is another small City firm. Here, rates have been adjusted yet still manage to look very competitive. The minimum charge has gone up—but only from £7 to £12—and the basic dealing rate is a highly attractive 1 per cent.

For clients who regularly deal in slightly larger sums, Discount Brokers International —the international discount brokers who became corporate members of the Stock Exchange last October—remained unfazed by the current upheavals.

There is no existing advisory client base with first call on the backroom, they point out. Moreover, DBI cannily started with a £25 minimum charge which has deterred some of the very small business. Once over that, the dealing rates themselves—at half the Stock Exchange's previous commission scale—are winningly low. DBI, based in London's Lincoln's Inn Fields, counts Jardine Matheson, AMRO Bank and The Matuschka Group among its shareholders.

Certainly, it is the newcomers and the small broking firms which currently score over the City's big fish. BZW has closed its scheme to newcomers; Quilter has raised its minimum charges on both its dealing-only service (Quiltertrade) and on its middle-tier Quilterselect scheme, which throws in some advice. The Phillips & Drew offering is linked to a high interest account and dealing rates are simply in line with those on most advisory schemes.

That leaves Hoare Govett, which has yet to react to Kleinwort's withdrawal—and will say only that "matters are under review."

But perhaps the saddest aspect for small share punters is that the current upheavals may have deterred a number of new no-frills schemes in the pipeline. This was something many broking firms had planned to offer; the competitive pressures to do so are now visibly less.

Nikki Tait

CHEAPER DEALING: WHO OFFERS WHAT

Broker/firm	Rates	Comments
Walker, Crips, Weddle, Beck & Co	Up to £499: £12 up to £1,500: £15 £1,501-£10,000: 1% £10,000-£20,000: £100	Rates recently readjusted
Spencer, Thornton	minimum charge: £12 thereafter 1% up to maximum of £100	
BZW	minimum £20 1.4% up to £7,000; 0.4% up to £15,000; 0.3% up to £100,000	Closed to new clients
Quilter Goodison	minimum £18 1.2% up to £10,000; 0.3% up to £20,000; 0.25% thereafter	Recently increased minimum charge
Hoare Govett	minimum £12.50 1.25% up to £7,000; 0.45% up to £25,000; 0.35% up to £250,000	Position under review
Henry Cooke Lumsden	minimum £15 1.5% up to £7,000; 0.4% up to £25,000	Increased minimum from £10 on 30/3; still does sales up to £100 for £5 and between £100 and £200 for £10
Phillips & Drew	minimum £20 (purchase) and £10 (sale) 1.65% up to £7,000; 0.55% up to £15,000; 0.5% up to £115,000	Attached to high interest account, where minimum opening balance is £2,500
Discount Brokers International	minimum £25 0.825% up to £7,000; 0.275% up to £15,000; 0.25% up to £130,000	

Tax-free gifts

A CUT in the basic rate of income tax, such as will occur on April this year, has a number of incidental effects. Among them is a reduction in the value to many recipients of payments made under a Deed of Covenant.

A Deed of Covenant is a legally binding obligation entered into for nothing in return and under which one person agrees to make payments to another over a specified period. If the Deed is correctly drawn up its effect for tax purposes will be to transfer income from one person to another.

Payments under a Deed must be made after deduction of income tax at the basic rate. Thus if in December 1985 you had agreed to pay another person £100 per annum gross for the next seven years, your payment in December 1985 would have been £70, in December 1986 £71 and in December 1987, £73. If in any of those years you did not in fact pay income tax you would have had to pay the balance of £30, £29 and £27 to the Inland Revenue.

A person who is proposing to enter into a Covenant will, however, normally only do so if he is sure (barring disasters) that his taxable income will be adequate to cover the gross covenanted sum. In that case, his obligation to both the recipient and the Inland Revenue is fully discharged by the net of tax payment. He must, however, give the recipient an Inland Revenue form (R185) giving details of the payment which will enable the recipient to obtain repayment of the tax deducted.

The benefit of a covenant arises where a recipient will not be taxed on the payment. So an adult child or grandchild whose personal allowances exceed their income for the year (including the gross covenant), can then reclaim the tax from the Inland Revenue.

The overall position is then that you will have received income of £100 on which you will have paid tax at, say, 29 per cent, leaving you with £71 in hand. You will have paid that £71 to your adult child or grandchild who has recovered your £29 tax payment from the Inland Revenue. In 1987-88 if your adult child or grandchild has no other income, you will be able to pay a gross sum of £2,425 (net £1,770) to him and he will be able to reclaim the tax of £655 in full.

If you agree to pay a gross sum of £100 in each year, your payment will increase as the basic rate falls. The overall position of the recipient, who receives £100 in each year from a combination of yourself and the Inland Revenue, is unaltered.

Many covenants, however, particularly those in favour of charities, are expressed as net (rather than gross) sums, being "such sums as after deduction of income tax at the basic rate is equal to £100." This allows the covenantor to pay the same amount each year without being concerned about changes in the basic rate.

However, in such cases the value of the covenant to the charity declines as the basic rate is cut. Thus, on a £100 net covenant a charity could recover £42.86 in 1985/86, can recover £40.85 in 1986/87 and will recover only £36.97 in 1987/88.

To obtain the favourable tax treatment associated with a covenant the period over which payments until you have capable of exceeding three years in the case of a charitable covenant and six years in other cases. This is the reason for the usual four and seven-year covenants. The payments must either be of a fixed amount or fluctuate according to a predetermined formula, for example 5 per cent of gross income for the year.

It is usual to provide for payments to cease on your or the recipient's death.

Similarly, the covenant may be conditional upon the recipient not marrying or ceasing full time education within the specified period. However, you cannot, reserve a right to end the covenant early or specify that the covenant will end on the occurrence of some event within your control.

A higher rate taxpayer can deduct the gross amount of a charitable payment for higher rate tax purposes. This means that a £100 gross payment costs a 60 per cent taxpayer £40 only. It does not, however, increase the amount the charity can recover as this is always limited to the basic rate. The solution is for the covenantor to increase the amount of his covenant. Non-charitable covenants are not deductible for higher rate purposes and the covenantor remains liable to tax at such rates on the amount he pays.

Covenants are also ineffective where they are made by a parent in favour of his minor child or where they are between married couples who are living together as their investment income will be aggregated in all circumstances. Grandparents may, however, use a covenant as an effective way of making provision for their grandchildren, whether they are of age or not.

Malcolm Gammie

Small is easier

DAVID TRIPPIER, small firms minister, says his heaviest postbag in recent months has been on the subject of VAT. All those letters sent off by small businessmen were clearly not in vain since VAT figured prominently in the small business measures announced in the budget.

Small firms are currently expected to make their VAT payments when they send out an invoice, though they may have to wait some time to be paid by their customers. With late payment having been identified as a major problem for small companies, many faced severe cash flow problems in keeping up with VAT payments.

They will now be allowed to opt to make VAT payments on a cash accounting basis—that is, after they themselves have been paid—in a move which goes a long way towards solving the problem of late payments.

Small companies—those with turnover of up to £250,000 will also be allowed to make a single VAT return a year, instead of the four currently required. This will help ease the burden of form-filling and red tape. The third significant improvement in the VAT field was the decision to extend from 10 to 30 days the time allowed to businesses to register for VAT.

The small business community also benefited from a number of other tax concessions, though they were not specifically targeted at small firms. The corporation tax rate for small firms fell to 27 per cent from 29 per cent, in line with the cut in the basic rate of income tax, while the fall in the basic rate will also apply to the self-employed and partnerships.

The Business Expansion Scheme, a popular way for small firms to raise funds, was spared a major revision this year though the decision to allow an investor to claim up to one-half of his BES relief—subject to a maximum of £5,000 —against his income in the previous year will ease the pressure on schemes to invest their funds in the last few months of the tax year.

Finally, the Chancellor raised

David Trippier

the starting point for inheritance tax from £71,000 to £90,000, a change which will make it easier for owners to pass on their firms to the next generation.

What did the small business lobby groups make of all this? The welcome was mixed, with gratitude at the VAT changes, but tempered by disappointment at the Chancellor's failure to meet many of the other demands for improving the level of profits retained by business.

The modification to the BES scheme was dismissed as being unduly cautious since investors would still have to commit £35,000 of the £40,000 maximum by the end of the tax year.

Some of the small business lobby groups would have liked the VAT changes to have applied to the medium-sized company as well as the small. The Chancellor did raise the limit of cash and annual accounting to £250,000 but this left many firms outside the range of the VAT improvements.

Overall, the budget changes reflected a shift in government thinking away from specific schemes aimed at helping small businesses—which only provoke jealously and criticism from other parts of the business community—towards broadly-based schemes to help the business community generally.

Charles Batchelor

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In tune with takeovers

Investors' Tales

As the tax year nears its end, Kevin Goldstein-Jackson examines his gains

AS THE current tax year draws to a close, I have been looking at some of the more pleasant investment gains I have realised during the year, a number of which were the result of takeover bids.

Apart from Wettern Bros (mentioned last week), the 1986-87 tax year saw the takeover of British Vending by GKN for 113p cash per share. I had bought British Vending shares for 35p each in September 1984 in the hope that Nestles (which then owned 29.9 per cent) would either make a full-scale bid or would sell its stake to another bidder.

My wife bought shares in NSS Newsagents for 150p each in April 1986, when we read in a newspaper that the then "troubled" UK Provident owned 17 per cent of NSS. We felt that a predator would be keen to acquire that stake. Gallaher made a bid in June and my wife accepted the 210p per share cash offer.

A change in management control helped the share price of some of my other investments, where I took some profits while still retaining a reduced shareholding. For example, my NMC Investments shares soared from their 1981-82 purchase price of 12.5p to over 180p in 1986, when Norman Gordon and Charles and Maurice Saatchi acquired 50.1 per cent of the company.

In May 1986 I bought shares in Times Veneer at 17½p each. They soon rose to over 75p when David Landau and his associates became directors and large shareholders in the company.

How can you find out who has strategic share stakes in companies? *The Hambro Company Guide* is published quarterly by Hemmington Scott Publishing at £59.50 per year. This guide provides "potted" details for all fully listed UK companies plus certain USM, OTC and other companies and it cites some of the major shareholders in some of the companies. More up-to-date information on individual companies is available on Extel cards sold by Extel Financial Ltd.

The weekly *Investor's Chronicle* is another good source of information and it was in that publication where I first read about RMC's strategic 29 per cent shareholding in Wettern.

The Financial Times every Tuesday has a small section on "Share Stakes" and regularly provides details of the larger changing shareholdings in companies.

For example, in September last year I read in the FT that Mr B. Brownhill, chairman of Wyndham Group, had bought another 110,291 shares in that company, bringing his shareholding to 17.5 per cent. I felt that if Wyndham's chairman had such confidence in his company it was worth buying some of its shares myself. This I did, paying 75p per share—and the price soon rose to over 120p. I still retain my shareholding.

However, just because a director has increased his shareholding does not always mean that the share price will rise immediately. I still hold shares in Aaronson Bros which I bought in February this year for 116p each after reading in the *FT* that director Leslie Aaronson had bought a further 100,000 shares in the company. Aaronson shares promptly went down.

Although 1986-87 has been a good year for making capital gains, it was rather disappointing that in his recent Budget Nigel Lawson did not end the continuing gains tax discrimination against married couples. If we were still single, in the current tax year my wife and I would have had £12,600 of our gains tax free. Because we are a married couple we get only the single tax-free gains allowance of £6,300. This seems rather strange for a government which believes in encouraging traditional family values.

Share successes, however, are not only about investing in companies whose share prices rise, but also *not* investing in companies whose share prices plummet. One success in this latter area was *not* investing in Cullens Holdings.

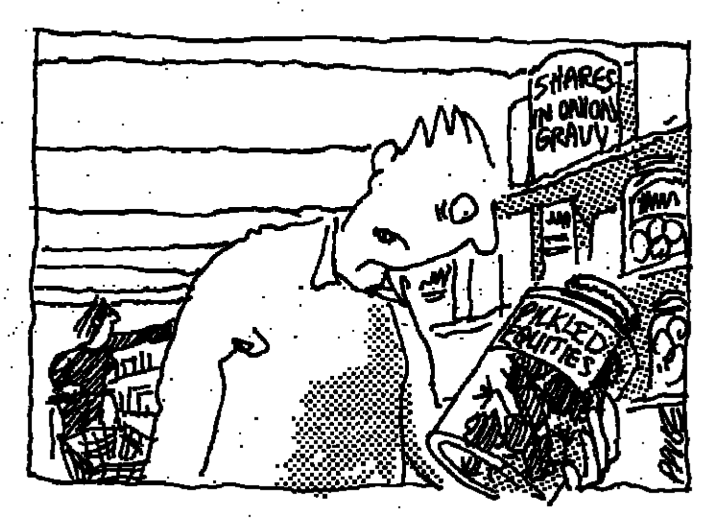
In the middle of last year I noticed that Cullens' share price seemed rather depressed compared with the rest of the groceries/stores sector and I seriously thought about buying some of its shares. Then I discovered that it was opening a new store in the area where I live.

I decided to wait and see how the new store performed before I bought any Cullens shares. When it did open it appeared clean, smart, and had long opening hours. Unfortunately, although it had no direct nearby competition its prices were so high that many people went elsewhere.

The area concerned has a high percentage of old age pensioners as well as holidaymakers—yet some of the items sold seemed more suitable to yuppies in Chelsea. Where were the cheap Heinz baked beans and other discount offers which would have appealed to the local population? A Kwik Save store would probably have flourished.

These observations made me positively avoid Cullens shares which were, at one time in 1986, as high as 280p but which now, in spite of a bull market, languish at less than half that price.

This is a good example of how private investors can use their own local knowledge to assess the merits of a particular share: one which saved me from possibly losing half the value of an investment in only one year.



Dumenil looks to Belgium

WHILE fund managers were discovering the attractions of the European stock market, it was only a matter of time before they started concentrating on individual countries.

Dumenil Unit Trust Management, the UK subsidiary of Dumenil Leble, the French banking and financial group, has adopted this approach in its fund offerings to UK investors. It has followed up the launch of a French and a Spanish-based unit trust with the launch this week of the Dumenil Belgian Growth Fund.

The aim of this fund, as with all European funds, is capital growth. Dumenil considers investment conditions to be favourable for investment in Belgium.

Its currency is strong, the export-led economy *is* sound. The Government is encouraging investment and several private companies are due to go public.

Dumenil claims that the Belgian stock market is one of the cheaper markets in Continental Europe and thus offers good value.

Investors can either accept this statement at face value, though it can be checked, or go through an intermediary specialising in the unit trust field.

Dumenil is offering investors the chance to build up their own European unit trust portfolio. But it is usually sound investment sense to spread one's holdings and this applies to this new fund.

Eric Short

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The Investment Trust Table

The figures in the columns below are based on information supplied by the companies named, which are members of The Association of Investment Trust Companies. The figures are unaudited.

as at close of business on Monday 23rd March 1987 (cols 1–6); as at 27th February 1987 (cols 7–12)

Total Net Assets (1) £ million	INVESTMENT POLICY Trust (2)	Management (3)	Share Price (4) pence	Yield (5) %	Net Asset Value (6) pence	Geographical Spread: UK (7) %	Nth. Amer. (8) %	Japan (9) %	Other (10) %	Gearing Factor (11) base=100	Total Return on N.A.V. over 5 years to 27.2.87 (12) base=100
	CAPITAL & INCOME GROWTH										
608	Alliance Trust	Independently managed	979	3.6	1199	37	50	8	5	93	341
168	Bankers	Touche, Remnant	81	2.7	95	43	30	12	15	106	387
464	British Investment	Independently managed	553	4.0	711	53	22	23	2	91	325
110	Brunner	Kleinwort Grieveson	121	2.9	155	53	29	1	17	102	335
737	Edinburgh Investment (w)	Dunedin Fund Managers	185	2.8	227	56	18	8	18	101	351
989	Foreign and Colonial	Foreign & Colonial	124	1.9	151	39	26	15	20	105	366
1175	Globe	Electra House Group	157	3.3	191	69	19	9	3	101	350
456	Govett Strategic	John Govett	326	1.6	397	51	7	6	36	125	374
14	Jos Holdings	Kleinwort Grieveson	166	2.8	194	89	6	–	5	100	352
64	Keystone	Mercury Warburg Inv. Man.	380	2.0	412	60	29	–	11	102	†
130	Kleinwort Charter	Kleinwort Grieveson	124	3.0	158	71	17	6	6	98	333
42	London & Strathclyde	Gartmore	229	1.9	270	68	30	–	2	98	†
70	Meldrum	Gartmore	145	2.9	174	94	6	–	–	100	390
120	River and Mercantile	River & Merc. Inv. Man.	216	4.6	248	59	36	2	3	95	340
65	River Plate & General (w) △	Tarbutt & Co.	327	3.9	388	78	11	–	11	94	305
56	S. & P. Ret. of Assets (w) △	Save & Prosper Group	168	2.9	244	85	15	–	–	131	†
673	Scottish Mortgage	Baillie, Gifford	650	1.9	790	44	21	15	20	113	406
319	Scottish National	Gartmore (Scotland)	374	2.0	446	55	26	9	10	102	344
206	Second Alliance	Independently managed	852	3.2	1062	39	49	8	4	95	346
719	TR Industrial & General	Touche, Remnant	126	2.3	156	53	23	14	10	102	317
665	Witan (w)	Henderson	136	1.9	167	59	19	10	12	105	389
	United Kingdom										
17	City of Oxford	Hambros Bank	74	3.2	83	99	1	–	–	97	345
54	Fleming Claverhouse	Robert Fleming	243	3.3	288	100	–	–	–	101	377
69	Shires (w)	Stanecastle Assets	222	8.8	242	82☐	10	–	8	65	221
178	TR City of London	Touche, Remnant	76	4.1	89	89	11	–	–	109	380
150	Temple Bar	Guinness Mahon Inv. Man.	213	4.1	257	99	1	–	–	98	398
	CAPITAL GROWTH										
	General										
329	Anglo-American Securities	Morgan Grenfell	472	2.1	560	40	26	23	11	99	†
199	Atlantic Assets	Ivory & Sime	124	0.7	162	27	72	–	1	99	229
138	Electric & General	Henderson	513	1.3	631	58	23	9	10	108	407
41	Greenfriar (w)	Henderson	432	0.7	447	60	12	3	25	110	450
16	Unitycorp Trust (w)	APA Ifico Inv. Man.	108	7.0	126	89	11	–	–	83	†
	International										
115	Berry	GT Management	384	0.5	336	54	18	6	22	100	367
139	English & Scottish	Gartmore	122	1.8*	140	44	17	6	33	107	357
49	F & C Eurotrust	Foreign & Colonial	301	0.9	271	24	–	–	76	133	464
302	Fleming Overseas	Robert Fleming	184	1.5	230	7	48	13	32	99	346
134	Fleming Universal	Robert Fleming	170	1.2	206	11	46	15	28	99	319
22	Gartmore European (w)	Gartmore	393	0.7	412	19	8	–	73	107	325
74	Gartmore Inform. & Fin. (w)	Gartmore	57	2.7	72	69	31	–	–	103	229
9	German Securities (w)	Liechtenstein (UK)	110	0.9	115	–	–	–	100☐	30	†
184	Hambros (w)	Hambros Bank	245	2.6	299	54	32	6	8	108	286
155	Kleinwort Overseas	Kleinwort Grieveson	161	2.2	192	9	45	12	34	100	328
13	Mid Wynd International	Baillie, Gifford	250	1.5	259	23	30	13	34	99	399
288	Monks	Baillie, Gifford	252	1.5	313	37	25	12	26	103	344
135	Murray Smaller Markets	Murray Johnstone	386	1.1*	433	17	9	14	60	104	440
14	Nordic △	GT Management	71	0.4	80	7☐	–	–	93	118	†
94	North Atlantic Securities △	Morgan Grenfell	404	1.2	490	–	39	36	25	96	†
202	Northern American	Dunedin Fund Managers	443	1.7	546	22	26	15	37	99	338
34	Northern Securities	GT Management	282	1.1	316	65	17	8	10	100	322
139	Romney	Lazard Brothers	413	1.7	482	11	41	28	20	99	324
107	Schroder Global	Schroder Inv. Man.	238	2.5	300	37	34	13	16	96	303
411	Scottish Eastern	Martin Currie Inv. Man.	148	2.1	183	58	14	14	14	113	354
534	Scottish Inv. Trust (w)	Independently managed	459	2.0	541	33	31	13	23	109	336
20	Stratton Investment Trust	Baring Inv. Man.	118	0.0	142	59	20	9	12	113	†
113	Tribune	Baring Inv. Man.	183	2.6	223	48	26	13	13	93	356
393	U.S. Debenture Corp.	GT Management	365	2.5	409	51	24	10	15	108	307
	North America										
164	American	Edinburgh Fund Mgrs.	158	2.9*	193	22	78	–	–	100	254
163	Edinburgh Amer. Assets	Ivory & Sime	120	0.8	154	6	88	3	3	126	273
153	Fleming American	Robert Fleming	637	1.4	741	2	98	–	–	96	265
39	Gartmore American Secs.	Gartmore	173	1.1	203	15	83	–	2	110	358
167	Govett Atlantic	John Govett	164	2.6	211	16	83	–	1	100	251
84	TR North America	Touche, Remnant	109	2.4	131	5	95	–	–	96	263
	Far East										
8	Australia (w) △	Clayton Robard (UK)	120	0.3	142	–	–	–	100	98	†
48	Drayton Far Eastern (w)	MIM	209	0.8	271	2	–	52	46	101	404
182	F & C Pacific (w)	Foreign & Colonial	258	0.8	306	8	21	48	23	103	347
330	Fleming Far Eastern	Robert Fleming	154	0.9	209	1	–	62	37	96	433
355	Govett Oriental	John Govett	269	1.2	354	6	–	58	36	111	425
25	Martin Currie Pacific (w)	Martin Currie Inv. Man.	161	0.3	193	–	–	70	30	101	†
20	Pacific Assets (w)	Ivory & Sime	141	0.3	133	12	–	–	88	86	†
46	TR Australia (w)	Touche, Remnant	119	2.7	147	6	–	–	94	100	248
206	TR Pacific Basin (w)	Touche, Remnant	210	0.9	270	2	–	66	32	99	461
	Japan										
52	Baillie Gifford Japan (w) △	Baillie, Gifford	391	0.1	473	–	–	100	–	91	548
12	Baillie Gifford Shin Npp. (w)	Baillie, Gifford	61	0.5	74	–	–	100	–	97	†
112	Crescent Japan	Edinburgh Fund Mgrs.	262	0.2	335	–	–	100	–	96	521
253	Drayton Japan	MIM	710	0.2	947	5	–	94	1	103	458
175	Fleming Japanese	Robert Fleming	161	0.6	207	2	–	98	–	101	456
113	GT Japan	GT Management	250	0.3	316	5☐	1	93	1	110	475
65	Japan Assets (w)	Ivory & Sime	69	0.1	79	1	–	99	–	88	377
70	New Tokyo (w)	Edinburgh Fund Mgrs.	246	0.1	319	–	–	100	–	89	434
	Commodities & Energy										
8	New Darien (w)	Hodgson Martin	66	1.5	80	36	60	–	4	93	107
27	Precious Metals △	J. Rothschild	196	0.4	226	9☐	57	–	34	85	279
111	TR Natural Resources	Touche, Remnant	154	3.8	185	35	31	–	34	89	182

Total Net Assets (1) £ million	INVESTMENT POLICY Trust (2)	Management (3)	Share Price (4) pence	Yield (5) %	Net Asset Value (6) pence	Geographical Spread: UK (7) %	Nth. Amer. (8) %	Japan (9) %	Other (10) %	Gearing Factor (11) base=100	Total Return on N.A.V. over 5 years to 27.2.87 (12) base=100
	Technology										
†	Baillie Gifford Tech. (w)	Baillie, Gifford	75	2.8	†	†	†	†	†	†	†
97	Fleming Technology	Robert Fleming	186	0.5	244	41	39	16	4	98	258
90	Independent	Ivory & Sime	254	0.4	323	24	72	–	4	94	227
408	TR Technology	Touche, Remnant	138	1.8	174	38	47	10	5	99	296
	INCOME GROWTH										
410	British Assets	Ivory & Sime	77	4.2	95	46	45	–	9	113	362
194	First Scottish American	Dunedin Fund Managers	419	4.0	525	90	3	1	6	107	347
86	General Consolidated △	Independently managed	378	4.8	459	70	27	–	3	90	338
270	Investors Capital Trust	Ivory & Sime	354	4.8	421	99	1	–	–	100	†
48	Lowland	Henderson	186	2.7	192	89	3	–	8	102	572
192	Merchants	Kleinwort Grieveson	159	4.8	188	74	19	–	7	98	320
240	Murray Income	Murray Johnstone	196	4.3*	232	75	11	–	14	107	405
302	Murray International	Murray Johnstone	193	4.0*	239	41	36	13	10	96	348
167	Raeburn	Lazard Brothers	498	3.8	604	60	26	10	4	96	301
240	Securities Trust of Scotland	Martin Currie Inv. Man.	112	3.8	133	57	23	9	11	108	399
	SMALLER COMPANIES										
17	Continental Assets (w)	Ivory & Sime	123	1.1	144	–	–	–	100	83	†
57	Dundee & London	Dunedin Fund Managers	276	3.1	350	80	12	6	2	98	311
71	English & International (w)	MIM	215	2.5	249	65☐	23	9	3	102	373
108	F & C Alliance	Foreign & Colonial	154	1.7	179	43	26	13	18	101	316
14	First Charlotte	Ivory & Sime	13	0.5	17	96	1	3	–	102	202
29	Fleming Fledgeling	Robert Fleming	192	1.9	233	73	25	2	–	95	329
21	Kleinwort Smaller Cos.	Kleinwort Grieveson	420	3.1	492	99	1	–	–	99	413
37	London Atlantic	Investors in Industry	255	3.8	334	72	12	–	16	94	310
29	Moorgate	Independently managed	540	4.1	615	93	1	–	6	93	409
27	North British Canadian	Investors in Industry	302	3.3	408	96	3	–	1	101	329
76	St Andrew	Martin Currie Inv. Man.	179	2.8	219	61	17	14	8	98	355
261	Scottish American	Stewart, Ivory	95	3.0	117	51	27	8	14	100	289
52	Smaller Companies Int.	Edinburgh Fund Mgrs.	103	1.9	133	72	12	16	–	102	356
22	Strata Investments (w) △	Henderson	135	0.5	151	37	23	11	29	99	†
276	TR Trustees Corp.	Touche, Remnant	115	2.6	139	67	26	7	–	103	306
318	Throgmorton (w)	Throgmorton Inv. Man.	401	3.4	489	92	7	–	1	115	390
	SPECIAL FEATURES										
90	Ailsa △	J. Rothschild	150	2.3	177	50	28	12	10	91	363
21●	Consolidated Venture (w)	MIM	180	0.2	197	17	83	–	–	98	321
200●	Drayton Consolidated	MIM	450	3.4	583	77	16	5	2	93	273
287	Ensign Trust	Merchant Navy Inv. Man.	78	1.8	87	68	21	1	10	109	†
56	Fleming Enterprise	Robert Fleming	418	3.0	527	100	–	–	–	109	385
370	Fleming Mercantile	Robert Fleming	192	2.8	237	69	26	1	4	83	323
26	GT Global Recovery △	GT Management	206	1.7	228	72	19	4	5	106	303
66●	Murray Ventures (w)	Murray Johnstone	242	2.9	252	75	9	7	9	87	361
138	TR Property	Touche, Remnant	88	2.2	102	69	9	8	14	100	302
27	Throgmorton USM (w) △	Throgmorton Inv. Man.	122	1.8	140	99	1	–	–	106	†
24	Value and Income (w)	Stewart Olim	50	3.5	53	99	1	–	–	112	†
	SPLIT CAPITAL (x)										
3	Child Health 87	Thornton & Co.	490	–	546	28	19	13	40	166	356
58	City & Commercial 88/93	MIM	1143	–	1402	80	11	8	1	107	380
43	Fundinvest 85/90	MIM	545	–	622	78	11	9	2	106	357
3	Marine Adventure 88	Thornton & Co.	330	–	360	42	19	2	37	162	†
62	New Throg. (1983) (w) 08	Throgmorton Inv. Man.	104	–	205	100	–	–	–	134	†
49	S. & P. Linked 95/97	Save & Prosper Group	595	–	921	100	–	–	–	112	469
31	Throgmorton Dual △	Throgmorton Inv. Man.	305	–	697	100	–	–	–	–	†
124	Triplevest 87/91	MIM	1470	–	1823	90	9	1	–	105	363

NOTES TO THE TABLE

† No data.
* Applies to Ordinary/"A" Ordinary only.
☐ More than one quarter in non-equity investments.
(x) Capital shares and winding-up dates.
z Incorporates recent revaluation of unlisted investments.
ac Adjusted for scrip issue.
ar Adjusted for rights issue.
(q) Published quarterly.
(w) Company has warrants or options in issue.
● More than 20% in securities or other assets included at directors' valuation.
△ The Trust has provisions for a limited life. Please refer to the company for further information.
Ø Figures not directly comparable with previous month.

Cols. 1, 4 to 6 Figures supplied by Wood Mackenzie & Co. Ltd. members of The Stock Exchange. The figures in Cols 1&6 are simulated to date shown based on latest valuation supplied by the companies and made available to The Stock Exchange.

Col. 11 The gearing factor indicates the percentage amount by which the net asset value per share would rise if the value of the equity assets increased by 100 per cent.

Additional explanatory notes are available on request from The Secretary, The Association of Investment Trust Companies, Park House (6th Floor), 16 Finsbury Circus, London EC2M 7JJ. Tel: 01-588 5347.

INDICES OF FIVE YEAR TOTAL RETURN

+ Investment Trust Average	359
F.T. – Actuaries All-Share	365
* Standard & Poors Composite	295
* Tokyo New Stock Exchange	329
* Morgan Stanley Cap. Int. World	348

+ Excludes split capital.
* Adjusted for exchange rate changes.

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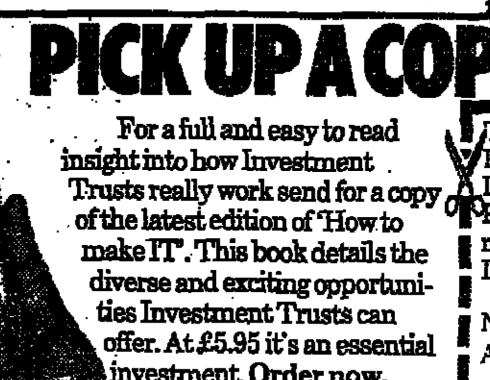

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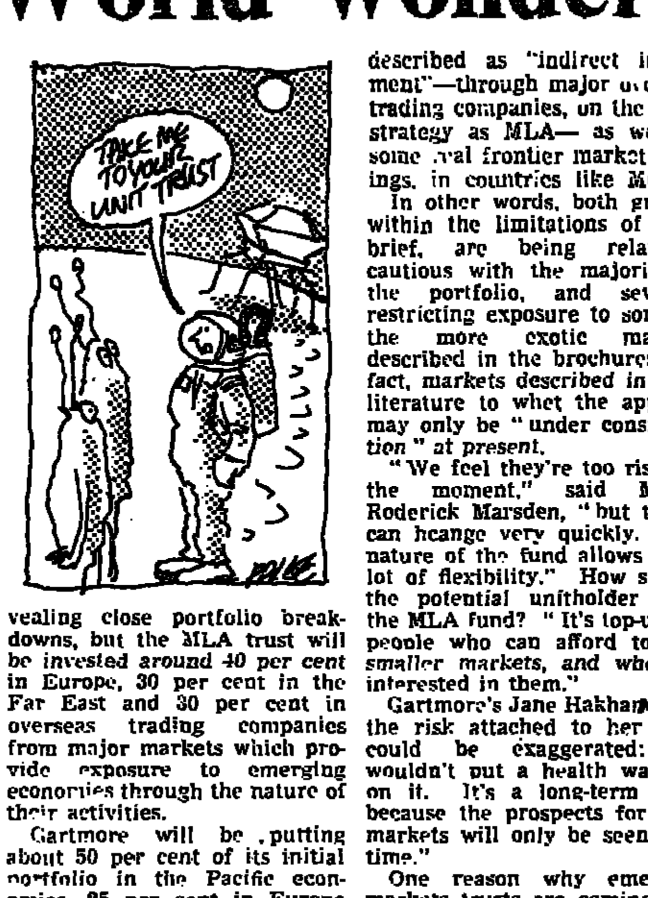
Emerging markets may not be as risky as they seem, says Christine Stopp

Third World wonders



ALTHOUGH they are, perhaps, more scrupulous about their split infinitives than the Starship Enterprise, two recently launched unit trusts are designed to imitate that fictional vehicle's restless foraging. Their mission is to boldly invest where no unit trust has done so before, and their brochures breathe names like India, Brazil, Mexico, the Philippines and Turkey.

The two trusts concerned are Gartmore's Frontier Markets Trust and MLA's Emerging Markets Trust, both launched within the past few weeks. Apparently there are also more such trusts on the launch-pad.

The idea of trusts like these is to spot small economies which are beginning to show signs of maturing—the Japans of the 21st century. Many such economies are starting from such a low base that future growth prospects—if and when they materialise—could be phenomenal.

Is the appearance of a new mini-trend for such trusts a sign of renewed interest in specialised funds among the unit holding public? If anything, the people who tend to be most enthusiastic about new specialisations are the brokers, because specifically targeted trusts offer a wider range of material to those who manage unit trust portfolios.

Nevertheless, both MLA and Gartmore report interest from the individual investor. A potential danger with eyecatching trusts like these is that they tend to attract the first time unit trust investor, who may be the last person for whom such a policy is appropriate.

Just how risky is an emerging markets trust. Looking at the projected portfolios of the first two launches the answer is "not as risky as you might think." Both trusts are invested largely in more well-trodden areas among the minor markets: the Pacific rim economies which have enjoyed a strong run in recent months, and the smaller European markest, which are predicted to be the winners for 1987. Both are areas which would have inspired great caution, if not actual derision, only two or three years ago, but which are now well on the way to respectability.

As both Gartmore and MLA point out there is less risk in their respective trusts than there would be in a single-country trusts investing in Hong Kong or Spain. What you have, in effect, are international trusts specialising in growth economies, some of them very small, so these trusts will be at the risky end of the international sector.

Both groups are wary of revealing close portfolio breakdowns, but the MLA trust will be invested around 40 per cent in Europe, 30 per cent in the Far East and 30 per cent in overseas trading companies from major markets which provide exposure to emerging economies through the nature of their activities.

Gartmore will be putting about 50 per cent of its initial portfolio in the Pacific economies, 25 per cent in Europe and 25 per cent "other." The latter will include what is described as "indirect investment"—through major overseas trading companies, on the same strategy as MLA— as well as some real frontier market holdings, in countries like Mexico.

In other words, both groups, within the limitations of their brief, are being relatively cautious with the majority of the portfolio, and severely restricting exposure to some of the more exotic markets described in the brochures. In fact, markets described in fund literature to whet the appetite may only be "under consideration" at present.

"We feel they're too risky at the moment," said MLA's Roderick Marsden, "but things can hcange very quickly. The nature of the fund allows for a lot of flexibility." How should the potential unitholder view the MLA fund? "It's top-up for people who can afford to risk smaller markets, and who are interested in them."

Gartmore's Jane Hakham feels the risk attached to her trust could be exaggerated: "I wouldn't put a health warning on it. It's a long-term hold, because the prospects for such markets will only be seen over time."

One reason why emerging markets trusts are coming into vogue now, says Jane Hakham, is that the fashion for privatisation is becoming a worldwide phenomenon which is causing markets to become larger and more accessible in some countries which investment managers would not hitherto have dreamed of. We know that the movement is under way in France, Japan and Spain; apparently it is also being echoed in Argentina and Chile.

Some of the smaller markets of interest to an emerging companies trust are not freely open to the foreign investor. Institutions wanting exposure to such countries do so through the small number of funds which form the only permitted route.

They are usually run by local fund managers in association with a large overseas organisation, and may be quoted in the US, in London or in the country itself. Managers can invest in Thailand, Mexico and India in this way, and the handful of Korean funds, which have done very well of late, trade at a high premium on Wall Street.

If enough fund managers go in for it, investing in emerging markets can be a self-fulfilling prophecy. The boom in Europe was triggered by an influx of US pension fund money, and if the Spanish economy is not a success story this year, it won't be the fault of the British institutional fund manager.

The unit trust industry will continue to pounce eagerly on any new area offering the possibility of novelty in a new fund. Will even space be the final frontier?

Eric Short on a new scheme to unlock capital

Making homes pay

FOR MANY people, particularly the elderly, their main asset is their house. But your house is also where you live, and over the years several schemes have been devised to enable people to unlock their capital without having to move out of the asset.

Home income plans have been available to the elderly for more than 10 years. Under these schemes, a householder can take out a mortgage on a house on tax efficient terms, up to £30,000. The loan is used to buy an annuity.

However, many people prefer a cash sum to a regular income, and an alternative reversion scheme is available. Under this scheme the householder sells the house to the finance institution, but continues to live in it at a peppercorn rent for the rest of his or her life, after which it reverts to the institution.

Cecil Hinton, chief executive of Hinton & Wild (Home Plans), feels that existing reversion schemes had several drawbacks: the value placed on the house was low: the householder sold away the right to future equity growth in the value of the house: there were problems if he or she wanted to move house.

So although his company has had many enquiries, Cecil Hinton has never completed a reversion for his clients. Instead he decided to design his own scheme. For the past 12 months he has been engaged in producing his Home Cash Plan with the Plymouth-based Business Mortgages Trust Group, and this week he unveiled the scheme.

The essence of the plan still involves a householder selling the house—to Business Mortgages Trust. However, you or your estate does benefit from future growth in the value of the house. There are two versions.

MAN AGED 75 OR WOMAN AGED 78
HOUSE VALUED AT £50,000

Year	House value £	Full profit-sharing plan Increase	Full profit-sharing plan Payment	Higher cash plan Increase	Higher cash plan Payment
0	50,000		22,500*		27,500†
4	68,000	18,000	8,100		none
8	92,000	24,000	10,800		none
9§	100,000	8,000	3,600	50,000	10,000‡

* 45 per cent of £50,000. † 55 per cent of £50,000. ‡ 20 per cent of £50,000. § When householder dies. Source: Hinton and Wild.

(a) A Full Profit Sharing Plan.

Under this scheme the householder receives an initial cash sum—a proportion of the market value of the house. The proportion varies with a person's age, starting at 35 per cent for a man aged 65 (the minimum age) rising by 1 per cent for each year to 50 per cent for a man aged 80. For women these percentages apply from the age of 68 (the minimum).

Every four years the property is revalued, and the householder receives a cash sum equal to the original proportion of the increase.

Finally, when a householder dies and the house reverts to Business Mortages Trust, your estate receives a final payment, again based on the same proportion of the increase in the value of the house.

The initial payment is free of capital gains tax, but subsequent payments are likely to attract a CGT liability. However, you can set this off against the annual exemption, now £6,300.

(b) A higher cash plan. This is more like the standard reversionary scheme. The householder receives 10 percentage points more in the initial cash sum, but foregoes all future payments. On death, the estate receives 20 per cent of the rise in the house value over the intervening period.

The table shows how the different versions of the scheme work. Which version of the scheme should householders looking for cash take?

This will depend on the circumstances, but Cecil Hinton normally recommends the Full Profit Sharing Plan. He feels the immediate low cash sum is more than offset by the periodic payments.

Details can be obtained from Hinton and Wild (Home Plans) 374-378, Ewell Road, Surbiton, Surrey, KT6 7BB (telephone 01-390 8166).

Complicated transfers

BRIEFCASE

Could you please clarify the following? (1) Building Societies frequently change the terms and conditions of their accounts and in consequence I have from time to time transferred sums of money from one account to another in the same Building Society, or from one Society to another. Does the CGT loss calculation apply to a specific sum invested regardless of the account (or the Building Society) in which it is held from time to time, or does it only apply to the period in which the sum has been held in its present account? (2) Where interest is left in the account, does each sum of interest have to be treated for CGT purposes as if it were a further capital sum deposited?

1 Every withdrawal from each share account constitutes a disposal, regardless of whether the amount withdrawn is taken in cash or is transferred direct to a different type of share account (either with the same society or with a different one). Correspondingly, every amount credited to a share account constitutes an acquisition.

2 In our view, this constitutes a disposal and an acquisition (as above). We take the view that, although a building society is a "company" as defined in section 155 (1) of the Capital Gains Tax Act 1979, the amalgamation of two building societies (or the transfer of engagements from one society to another) is not covered by section 85 of the CGT Act.

3 Yes. (Of course, "deposited" is not the right word, strictly speaking: deposit accounts with building societies are prevented from generating allowable losses by section 134 (1) of the CGT Act. In our reply to question 1, we have used the term "withdrawal" in a correspondingly loose sense, for simplicity).

Interest not deductible

In June 1981 I purchased a commercial property for £45,000. The property was let at a rent amounting to £8,000 per annum. To finance this purchase I applied for a loan from my bank. I obtained a loan amounting to £30,000. I paid interest in the years 1982 to 1986. The bank issued Forms No 38E to me showing the amounts of interest. I submitted these forms to my local Inspector of Taxes. Recently the Inspector of Taxes has written to me stating that the interest paid is not a deduction as in his opinion "The advance is an overdraft not a loan" and does not qualify. His opinion is based on the fact that cheques were issued on the loan account in respect of the purchase of the property and also for insurance and repairs. Rents received were lodged to the loan account. I should be grateful if you would let me know what course of action I should take in this matter as I am now faced with a large tax bill for the five year period.

On the bare facts outlined, it looks as though the tax inspector is right. You appear to have been badly advised in 1981.

Although your prospects of success in an appeal to the Special Commissioners do not seem high, it is probably worth spending money on local professional guidance through the maze of arbitrary tax rules. The solicitor who acted for you in 1981 may be the best source of advice—provided that it was not he or she who advised you to make the ill-fated arrangement with your bank, of course.

Two faulty properties

Due to a faulty infill in our present house we need to move out for a month while the foundations are dug out and replaced. We have decided to buy another house in the same road, which has similar problems, repair it and then move in while we repair our own.

The second property will cost £28,000. Repairs and expenses will cost £6,000 and we hope to sell for £38,000. Can I offset the expenses against capital gains and, if not, would I be better off to set up a company and buy the property through it?

Your best guide through the tax labyrinth is, of course, the solicitor who will be acting for you—all good solicitors are prepared to advise on the tax aspects of domestic property transactions, as an integral part of their conveyancing service. On the facts outlined, however, we can say that using a company looks a bad idea. As you will see from the free pamphlet CGT4 (Owner-occupied Houses), obtainable from your tax office, you may not have to pay CGT on the sale of your temporary home, provided that you give the appropriate notices under section 101 (5) (a) of the Capital Gains Tax Act 1979, jointly with your wife. If there is a CGT liability (e.g because the inspector invokes section 103 (3) of the CGT Act, and the Commissioners dismiss your appeal), you may be given the benefit of the concession announced in the Inland Revenue press release of June 11 1970: "Expenditure on (including expenditure on decorations), undertaken in order to put it into a fit state for letting and not allowable for the purpose of schedule A, is regarded as allowable expenditure for capital gains tax purposes."

Expatriate problem

I left England in July 1984, and was declared non-resident in April 1986, ie after a full tax year. Consequently in 1985/86 I was taxed as a resident, so my pension was taxed after deduction of the personal allowance, and my bank interest was taxed at source. Since April 1986 my pension has been taxed without the benefit of the personal allowance, and bank interest has been credited gross. I expected my final assessment for 1985/86 to allow a refund of tax deducted from bank interest less the tax on the personal allowance. The Inland Revenue however claims the tax on the p.a. without refunding the tax on the bank interest.
Is this correct? If so will I eventually receive a demand for tax on bank interest for 1986/87? If so, why have it credited gross in the first place? Booklets IR20 and IR25 do not help because the rules have changed since they were written.

Generally speaking, anyone who leaves the UK should close all UK building society accounts and all interest-bearing accounts with banks, etc, in the UK around the time of his or her departure: such accounts may be worthwhile reopening after the Inland Revenue has agreed that the expatriate is no longer ordinarily resident in the UK, but in the meantime it is virtually certain that a better net yield can be obtained elsewhere.

You are wrong in saying that your UK bank interest was taxed at source in 1985-86: composite rate tax (CRT) is a levy upon the bank, not upon your income. All that happened in 1985-86 is that the bank paid you a low rate of interest compared with the rate which it paid on comparable accounts maintained by people who declared (in accordance with the complex CRT regulations) that they were not ordinarily resident in the UK, thereby exempting the bank from CRT in respect of the amounts of interest paid to them. Interest which has triggered a CRT liability for the paying bank is treated in the hands of the depositor as exempt from basic-rate UK tax, but that is of little value to a non-resident in a situation like yours.

If you are assessable to US tax on (a) your UK bank interest and (b) your pension, then you are entitled to exemption from UK tax on both, from the day from which you came within the US tax net (as a resident alien), by virtue of (a) article 11(2) and (b) article 18(1) of the US-UK double taxation convention.

If you are not assessable to US tax on your UK interest, you will nevertheless probably escape UK tax upon it (but not upon your pension) by virtue of concession B13 in booklet IR1 (1985). Concession B13 was in fact extended slightly by an Inland Revenue press release issued on December 19 1985.

As you remark that the rules have changed since booklet IR20 was written, we wonder whether you have the latest edition, which is less than a year old.

Booklet IR25, on the other hand, is long overdue for revision: the latest edition was published in 1977, and there has been no announcement that a new version is in preparation.

Professional disputes

I am potentially likely to be involved in two disputes, one with an accountant and one with a barrister.
I believe both have charged excessive fees, not only for the comparatively small amount of work done, but for the speed, or lack of speed, in doing it and the somewhat ineffective advice as with the outcome. The advice given in each case, both entirely separate matters, indicates that neither the accountant nor the barrister has sufficiently grasped the essentials of each problem or displayed the expertise I believe I am entitled to expect. Certainly so in relation to the magnitude of the fees and the excessive delay in dealing with both cases.
I have written to the Institute of Chartered Accountants which advised that it does not become involved in fee disputes, although matters of poor professional service may be investigated. A seemingly toothless discipline. What further action can you suggest I take?
In the case of the barrister, I understand barristers can charge what they like and my solicitor feels he is powerless to get a reduction. He has tried without effect. Can you give me any advice on what action I can take in this case also?

Short of making complaint to the respective professional bodies there is little that you can do. In practice however by withholding the fees and leaving the claimant to sue for them you may achieve sufficient tactical advantage to secure a reduction by way of compromise.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

BRIDGE

IN MY first hand from rubber bridge the declarer's safety play was an object lesson.

```
              N
            ♠ A 8 4
            ♡ 5 2
            ♢ A K Q 8 4
            ♣ 8 7 5
     W                  E
♠ 3                ♠ J 10 9 2
♡ K 10 6           ♡ 9 8 7 4 3
♢ J 7 6 2          ♢ 5
♣ A K Q 9 4        ♣ J 3 2
              S
            ♠ K Q 7 6 5
            ♡ A Q J
            ♢ 10 9 3
            ♣ 10 6
```

South dealt at a love score and opened the bidding with one spade. West overcalled with two clubs, and North said two diamonds. South could only rebid two spades, and North's raise to four spades concluded the auction.

West started off with ace and king of clubs: the queen, which followed, was ruffed in hand. Considering the position, the declarer could see that, provided that spades and diamonds broke evenly, there was no problem, but he was a careful player, as we can see by what followed.

At trick four he led his ten of diamonds, overtaking with dummy's queen, and returned the four of spades to the king. Now the nine of diamonds was led to the king, and East discarded the three of hearts. Crossing to hand with a spade to his queen, South led his three of diamonds, and finessed the eight.

This time East ruffed, and returned a heart, but the declarer, in complete control, won with his ace, crossed to the ace of spades, drawing East's last trump, and cashed two diamonds to fulfil his contract.

I wonder how many declarers would match this perfect technique. The play of the ten and nine of diamonds to avoid blocking the suit, the retention of the ace of trumps in dummy, plus the precise timing and overcame the entry problems—unkind breaks in spades and diamonds—which might have defeated a less skilful declarer.

```
              N
            ♠ 7 4 2
            ♡ K Q 6 5 4
            ♢ Q 6 3
            ♣ 10 3
     W                  E
♠ 8 6 3            ♠ Q J 5
♡ 10               ♡ A 9 7 3 2
♢ J 8 7 4          ♢ 9 2
♣ J 9 8 5 4        ♣ K Q 6
              S
            ♠ A K 10 9
            ♡ J 8
            ♢ A K 10 5
            ♣ A 7 2
```

I played the hand shown above a few days ago in a rubber bridge match.

Sitting South, I dealt at game all, and bid two no trumps—yes, I know I owe you one point—and my partner bid three clubs.

I replied with three spades, and North said three no trumps. West led the five of clubs, East made queen and king, and I won the third round.

I led the knave of hearts, West dropping the ten, and East took his ace—he should, of course, hold up—and returned the nine of diamonds. Taking with the ace, I led the eight of hearts, on which West threw a spade, and ran it. Forced to take with his nine, East led back his remaining diamond to my king.

I could now see the lights of Dover. West was marked with a 3-1-4-5 shape, so East was going to be squeezed. When I crossed to the diamond queen, East had to throw a spade—otherwise dummy's fifth heart is good—so I cashed the two heart honours, discarding a spade and a diamond from hand. I then played a spade, cashed my ace and king, knowing that my ten would be good.

When the hand was over, my partner said: "Perhaps that is one for your column." So I took his advice, and wrote it up.

E. P. C. Cotter

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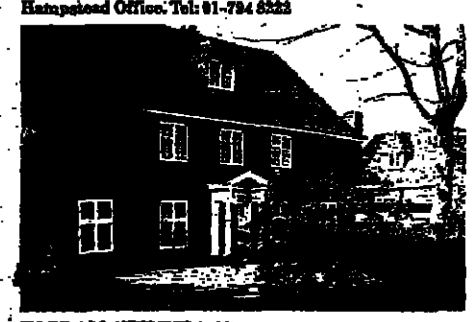

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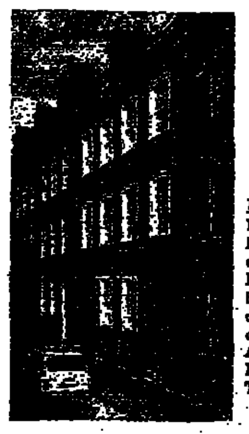

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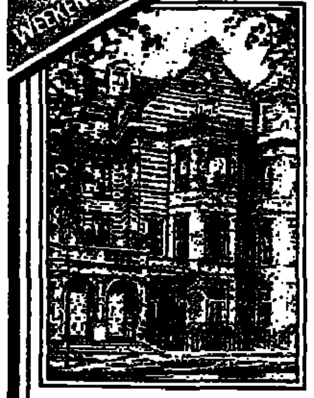

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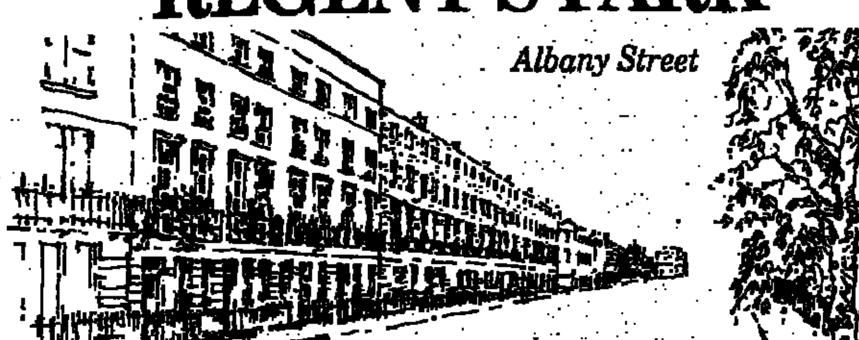

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John Brennan looks at why the British lag behind in using agents as buyers

When it pays to seek professional help

"PEOPLE WILL happily pick up the 'phone, pay 1 per cent for someone to buy shares for them, and think they're getting a bargain. Yet when they are buying a house it rarely crosses their mind to pay for professional advice."

Patrick Ramsay of Knight Frank & Rutley makes the *obvious point* that, while we accept the need for expert advice on any number of other purchases, home buying is one area with professionals on one side of the deal and rank amateurs on the other.

Setting aside the old estate *agency jokes about which side* has the amateurs, the fact remains that, while most people select the property they would like, they are then normally sold the space, rather than actively buy it.

One reason that agents *haven't been called upon to act* for buyers more often is that, as Ramsay says: "People don't know that we can offer the service. When people hear that we can negotiate for them on a purchase they're generally delighted to get a professional *to help.*"

British buyers have tended to lag behind international buyers in this respect, since people arriving in Britain needing a house often come with a referral to an agency they're familiar with in their own country. The *KF & R group's 42 offices in 11* countries means that many incoming business people looking for a British home get in touch when they arrive. "*These are good people to deal with* because they are used to taking advice and paying for it."

Instructing an agent to act for you on a purchase is likely to cost between 1 and 1½ per cent of the purchase price. Buyers get both more and less than a *house hunting service for that,* Ramsay explains.

"There is a slight misunderstanding about what service an agent acting for a buyer can best provide. It really wouldn't make much sense for someone to come in and say 'I want an eight bedroom Queen Anne House for £400,000,' and for us to keep sending details of 8-bedroom Queen Anne houses until they found one they like.

"*Most people will have seen a* number of houses, and they know about values, and what they would like.

"We can and do find people *houses, and as an agent we know* if properties that are not on the market yet, or of ones that may have been advertised some time ago and which a buyer may not have seen ... we do know the market." However, the best time to instruct an agent is when *you have seen one or two properties* that appeal.

"Having an agent to represent you is a reassurance, and it can be an enormous help if you're in competition. *It's having a dispassionate professional* with you, someone who it isn't emotionally involved in the purchase."

When it comes to negotiating there is, he says, "a competitive pride between agents" that makes sure they do as tough a deal as they can. "A buyer is a *positive walk-over compared to* an opposing agent in a negotiation."

Since agents generally act for the seller, and aim to get the highest possible price for their client, there would be an obvious conflict of interest if a *buyer's instruction led straight* to one of the properties on the *firm's books. As Ramsay says,* it doesn't happen like that because, "there is a reciprocity *of trust. You have to do your* best for the client."

He says: "If you have been dealing with a number of agents when you have been *looking* at *properties, you can make a judg*ment on the people you deal with. Then, if a property you like does come up, why not ring them up, explain that you have seen a house and ask what would you charge to look at it on my behalf? Normally, an agent would charge expenses *and, if* you were successful in buying, a percentage of the final purchase price."

> **An agent instructed to negotiate a house purchase can often achieve a keener deal than a buyer**

Although an agent instructed *to negotiate a house purchase* can often achieve a keener deal than a buyer, Ramsay says that agents are happy to deal with other professionals even when they are *acting for the sales* side.

"You know that you are dealing with someone who *will have* made certain that the client's finances are in order and that they can follow through with a purchase."

Amateur house hunters, on the other hand, are a menace.

"Professional house hunters provide a very valuable service. They can be a real help for people without the time to cut their search down to a manageable number of houses. The *trouble is* that there are a plethora of amateurs.

"They have moved a few times themselves so they *think* they are able to offer a buying service. They *make silly offers* because they think they are being tough negotiators, and you find ones where they make a bid, and then it turns out their *client is away in Hong Kong for* several weeks.

"They're a bit like the Arab go-betweens you still come across who say they have a buyer, look at a property, and then it turns out that they have a cousin who knows a Sheikh ..."

Corporate movers—companies relocating staff into, or within the country, have become increasingly well served by professional home *buying advisers in recent years.*

Corporate relocation groups, such as Black Horse's relocation service, Homequity Relocation, Merrill Lynch Relocation Management, the service provided by the member agents of the National Homes Network, Mann & *Co's Countrywide* Relocation Service, and a growing number of other specialists, now look after the staff of companies on the move.

Most of these national groups provide counselling for families moving to new areas. They will provide *them with details* of local schooling and transport facilities as well as available properties. They are also geared to help dispose of a mover's house minimising the disruption for both the company and its executive.

Individuals looking for someone to do the leg work on a house hunting expedition do not have such a clear range of options. They will see a startling *increase in* newspaper *small* ads offering just such a service, but there is no way of knowing whether the ad is from a professional or one of the amateurs *that Ramsay finds so alarmingly* incompetent.

It is only a year since the Association of Relocation Agents was formed, and as Vice President Paul Greenwood explains, there are no formal qualifications for joining yet. It *will be* a number of months before the Association's code of conduct is backed up by preselection of members, probably on the basis of their trading record *and an interview.*

The association has a number of major corporate relocation groups among its membership of over 100. Greenwood says. "The bulk of the membership is *full* time. I personally *think* that you have to be full time to do it properly because it can be very hard work."

Greenwood reports that searching out a property and assisting in negotiating for the buyer *would normally cost £100 to £300* in advance expenses. Most members charge around 1 per cent of the property price if they are able to take a client through *all the stages of a purchase.*

If you need a house hunter, the association, at Springfield House, Aston Tirrold, Oxford OX11 9DD (0235 851141), will send a list of member firms in the area you want.

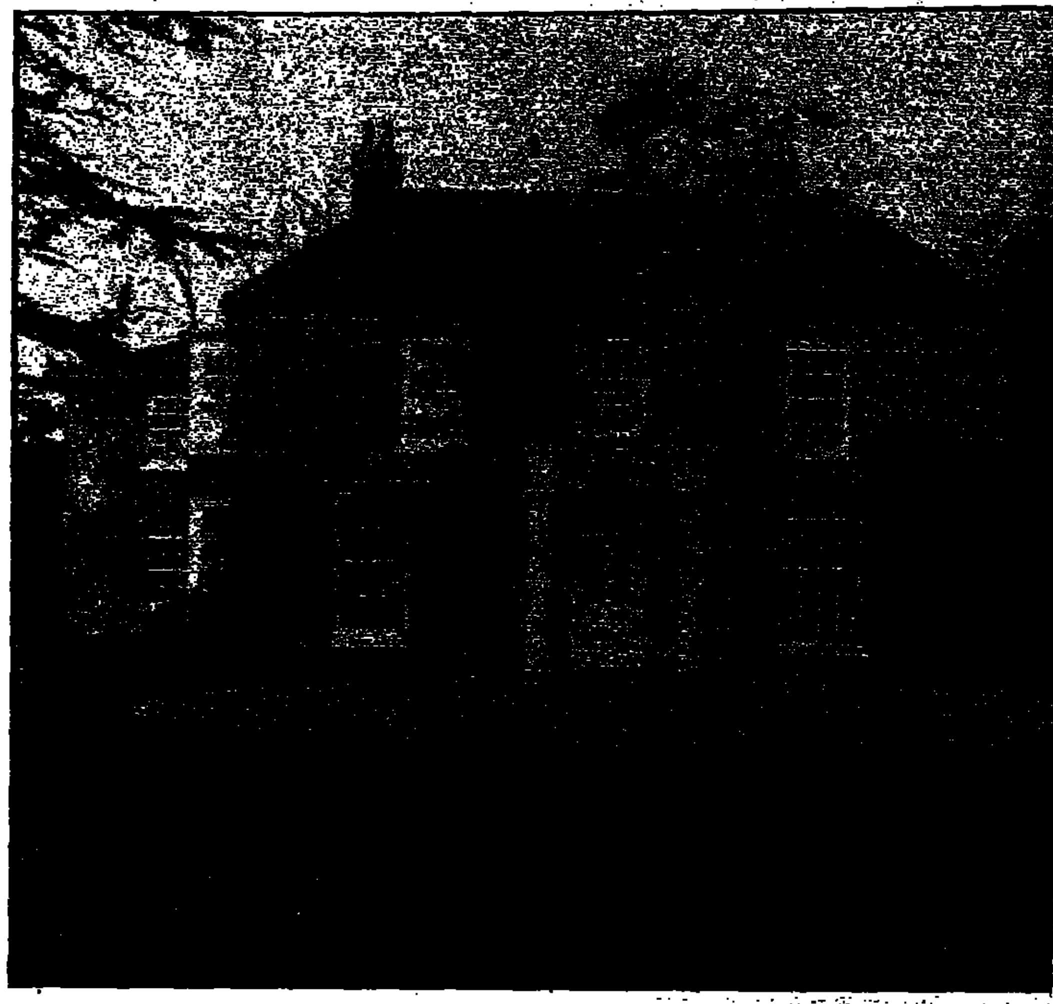
In Greenwood's experience of running the house hunting service, *Stacks (0666 860523),* "all our buyers are 'problem buyers' in a sense. If you want a semi-detatched in Swindon you really don't need a professional's help. *Most people come* for advice because they want *something unusual,* or they need a particular type of property and do not have the time to trail around the market."

Having been an agent himself, *Greenwood doubts* if sales agents are likely to be interested in providing a specialist service for a buyer unless they are looking at properties costing several hundred thousand pounds.

"Agents have always been prepared to act for a buyer, but it has always been as a second thought. You cannot easily give a full service if your main business is *in selling houses—it is* not really profitable."

He does agree with Ramsay that a buyer's agent can be of most help when it comes to negotiating on a purchase. "The negotiation is critical, and we have an *advantage over* a buyer on their own because we do it all the time. We're slightly at arm's length, and so we can go for the best deal.

"I have a couple of negotiations running at the moment where I know the buyers would offer more, but I hope the agent doesn't."



LANDFORD COTTAGE (above) is something of a misnomer in that it is a full-scale Grade II listed Georgian country house standing in 3.5 acres of grounds with its own subsidiary cottage, outbuildings, swimming pool and a couple of paddocks. Add the New Forest location to the mix and you have a £350,000 freehold on the books of the Romsey office of Jackson and Jackson (0794 523242).

Partner Paul Jackson confirms the pressure for homes in the area with particular demand for four- and five-bedroom houses in the £150,000 to £250,000 price range and a continuing enthusiasm for anything under thatch. "There is," he says, "an endless demand for properties to do up, and very few of them left in the New Forest." Those that do come onto the market tend to end up at auction.

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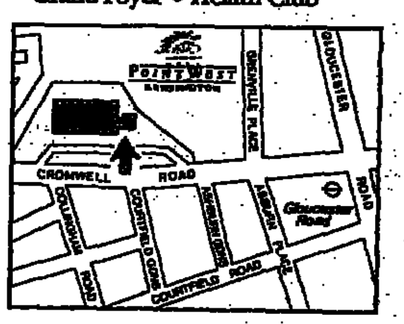

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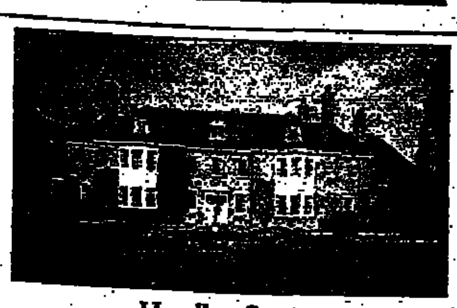

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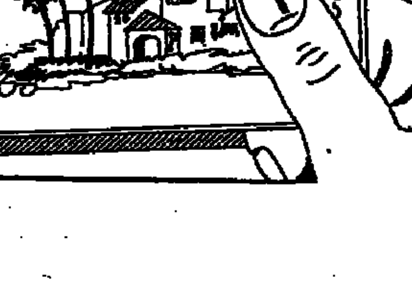

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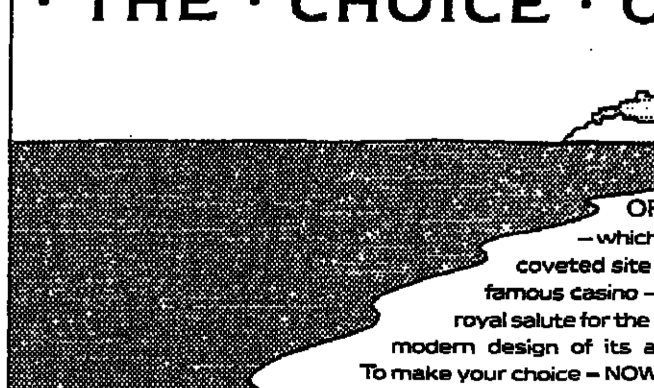

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The battle of the boards

John Brennan finds that the time honoured method of estate agents putting 'For Sale' signs outside vendors' homes is meeting strong opposition, especially in London

WHAT IS disliked intensely in *the south but not in the north,* and makes a great snow shovel? An *estate agent's,* "For Sale" board.

In one corner, agents defend them as a highly effective way of selling the product. In the other, fist-waving residents in certain neighbourhoods argue with equal ferocity that a series of boards can ruin the look of the area.

Feelings against boards have run highest in London, where the boroughs of Kensington & Chelsea and *Westminster* have restricted them in selected *sections.*

Kensington & Chelsea instigated the ban last June in four conservation areas where the number of boards was high and residents were demanding a solution. So far, agents have *been hauled into court 51 times,* receiving fines and court costs *averaging £100 for each offence.*

Although some agents seem *undeterred by the fines, town* planning committee chairman Simon Orr-Ewing says the ban is working. "The streets look much, much better." Last week, the town planning committee voted to ask the Environment Secretary to extend *it* for another year. The planners also *told borough officials* to explore whether the ban—which requires an agent to get planning permission to put up a board—should be extended to more neighbourhoods.

Westminster followed in Kensington & Chelsea's footsteps on February 23 when it imposed the same restriction in parts of Bayswater and Maida Vale.

Tony Clark, spokesman for the National Association of Estate Agents, points out that the problem tends to exist only in the south where sellers often place their property with several agents. In the north, by tradition, sole agency is the rule, so fewer boards are erected. "The people in the north wonder what the problem is all about," says Clark.

He thinks the problem could be solved if local authorities enforced the Department of the Environment regulations that are already on the books. They *require, for example,* that boards must not exceed two square metres in area, place a limit on the number that can go up, and stipulate where they can be positioned.

Agents are fighting curbs on the boards, claiming they are an excellent selling tool. David White, deputy senior partner for Connells Estate Agency, cites a survey *carried out* by his firm showing just how important *they are.* "About 30 per cent of sales are a direct result *of boards,"* White says.

Noting that the cost of buying and erecting a board comes *to about £20, he adds:* "If it wasn't effective, we wouldn't do it."

About four years ago, Connells broke a gentleman's agreement against erecting boards that had been in force in the town of Harpenden, Hertfordshire. Other agents followed suit and also put up boards. "We were under pressure from vendors *who wanted boards,"* White explains.

However, Martin Lamb, of the Jackson-Stops and Staff office in Exeter, takes the view—somewhat surprisingly, given his job—that boards should be banned. "While they do sell houses, I think they're an eyesore," he says. "I'd prefer a sticker you can put in your window."

Last July, as controversy over the boards mounted, the *Environment* Department published a consultation paper that *included* recommendations for signs to be limited to one per *residential* property, and to be no larger than 0.2 sq metres. *Boards* announcing the property had been sold or let would be banned.

Department spokesman Paul *Cronin said it had been digest*ing the voluminous response to *the paper,* and that officials hoped to announce their proposed regulations within weeks. He stressed that the regulations would need parliamentary approval.

Meanwhile, boards have been put to uses other than selling or letting property. Clark said agents in the national association had told him their aluminium boards *suddenly* disappeared during big snowfalls because "*people are using them* for snow shovelling." Mothers *reported* that children brought home downed boards and used them like blackboards since crayon marks can be erased off them.

Then there is the open invitation. Late last year, a sign in front of a big London house touted that it was ideal for *entertaining. Squatters,* motivated by the power of suggestion, *promptly took it over for* a giant New Year's bash.

● EVER MORE ambitious *re*sidential redevelopments of surplus farm *buildings* are being prepared across the country as *farmers* and developers test their local planners' interpretation of the new rules ending the absolute priority formerly given to agricultural production. The results may leave single home schemes, such as The Dovecot by the River Avon on the Wiltshire/Hampshire borders at Bulford as a rarity. *Even here* one of the Aisled Barns *attached* to the *converted* eighteenth century Dovecot has planning permission for conversion to residential use, and joint agents Strutt and Parker (0722 28741) and Tim Bates of Hungerford (0488 84386) are offering the property in two lots. The Dovecot itself, with single bank fishing rights and eight acres of ground, is for *sale for around £275,000. The* Aisled Barns with fishing *rights and three acres are up* for around £100,000.

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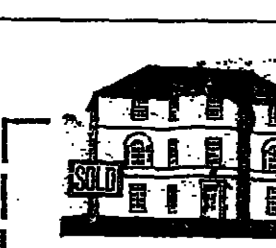

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Gerald Cadogan avoids the crowds and finds old Crete

In pursuit of Pan's pipes

FINDING the old Crete is a test when the island is swamped by packaged tourists desperate for sea, sand, sun and duty-frees. But go before Easter when foreigners are fewer—and the raki, a grappa produced from grape skins after pressing, has just been made in village stills —and in the hills you will find the old life as strong still as the drink. A visit to Eleftherna in the region of Rethymno can take you back 20 years.

Eleftherna has spectacular scenery, wild flowers from autumn to spring, good archaeology, an ancient bridge as perfect in its way as the Parthenon, and an untouched village at the head of a long valley. It is a terrific excursion, and there are plenty of spots for picnics.

Take the old Heraklion-Rethymno road and just west of Perama turn south for the villages of Margarites and Prines. Margarites means daisies in Greek. Prines refers to the prickly leaved kermes or holly oak (Quercus Coccifera), common in Mediterranean maquis as a stunted tree.

The country is limestone. Long plateaus and steep valleys shape the foothills of Mount Ida or Psiloriti, the highest mountain in Crete (8,060 ft) where the snow has settled and will stay until June. The road climbs steadily and runs through Margarites, a village of potters. Their large storage jars *(pitharia)* are a Cretan tradition that goes back to before 3000 BC.

Rustic Crete: a place of magic

Continue to Prines, a small, remote and pretty village by Eleftherna. Leave the car, and walk through the village to the ancient town. Its position is extraordinary. A rock causeway barely 10 ft wide leads to a rock platform with quarry marks where stone blocks were cut. In front of you is a late Roman or mediaeval tower, and beyond that the limestone spur with the town. The ground falls away sharply either side to rich, terraced valleys with olives and running water.

The soldiers of Quintus Caecilius Metellus (called Creticus for his exploits — his sister is buried in huge, drum-shaped tomb on the Appian Way outside Rome)—used this narrow route to attack Eleftherna in 67 BC. But they could not succeed until traitors inside arranged entry. Another story is that they drenched a tower with vinegar to make the stones split when they set fire around it. If that really happened, it cannot have been the tower there now. What is certain is that Eleftherna fell to fire and sword.

Past the tower, discovery begins. Wander around and you see the remains of one of the hundred cities of classical Crete, a small town on its acropolis (citadel) barely touched in recent time. It is easy here to imagine what 18th and 19th century travellers came on everywhere in Greece and Turkey. Boulders separate tiny fields. Rock cuttings show where buildings or statues were. There may be flowers — anemone, plomis and iris in February — and where the ground narrows again are the large blocks of what might have been a statue base, or a gateway.

Keep right (eastwards) and at the very edge of the acropolis follow earth steps down to a hole in the limestone. Go in. A tunnel leads to an aqueduct and cavernous cistern—which are why Eleftherna could hold out under siege—fed by channels from a spring outside the town to the west. A torch will help.

When you come out, carry on to the top of the acropolis. To reach it, you will have to scramble up through the roots of a carob tree growing out of a terrace wall. On top, a large boulder with steps might have been used as a lookout; the views from Eleftherna meant life and safety more than rural idylls. A ruined church has a simple table as an altar, set over a limestone column. Left of the door is a fifth century AD Christian inscription. The barrel-roof has gone and moss grows on the floor, but faint Byzantine saints still look at you from weathered wall paintings.

We returned to the village and went to the cafe where the men were sitting round a wood stove. I asked about getting to the famous bridge. Raki came, given by a man who knew of Captain Spratt's visit in 1858 when he was preparing the British Admiralty charts of Crete — which are the core of those today. Our host talked of long-gone archaeologists as old friends. Crete always surprises.

Spratt's map (reproduced in the new Blue Guide) got us to the bridge. You can walk there by footpath from the acropolis but we drove, going round to the modern village of Eleftherna which has a fine view from the west of the ancient site. As soon as you enter the village, turn sharply right on a corner with three houses on to a track going down the slope of the hill. Follow the hairpins until you reach the bottom of the valley (keeping in mind that several hire companies in Greece stipulate their cars may not be used off tarmac roads).

The track crosses two streams, but we had to stop before them as there were quagmires. We walked round. Where the road rises beyond the second stream, turn off over a small embankment. Above the stream you will find a path to the bridge, running past rock-cut tombs in the cliff to your right. There are birds, flowers and running water, which is the true treat in Crete.

This is a place of magic, and the bridge a treasure. It is in fine condition and a wonderful creation: remote, strong, elegant, and defying time since the men of Eleftherna made it, probably in the last centuries before the Romans. On the bank above, a rock-cut tomb has been turned into a chapel. Over the bridge and down in the stream bed is the best view. Rest there. Pan or Zeus will come.

TRAVEL DETAILS: Olympic Airways return flight from Heathrow, London, to Crete from £251.

BOOKS: Crete—The Travellers' Guide by John Bowman (£7.95, Jonathan Cape, 323 pages).

Mazda makes a winner

The Mazda 323 Turbo 4x4 Lux . . . one of the hottest hatchbacks

MORE THAN 100,000 hot hatchbacks are sold in Britain each year. Not surprisingly, there are a lot of them to choose from. All have fuel injection. A few have 16-valve cylinder heads or turbocharging to boost performance.

But only one has 16 valves and turbocharging, plus permanently engaged four-wheel drive to put all that power safely on a slippery road.

It is the 1.6 litre Mazda 323 Turbo 4x4 Lux. While not without its rough edges, I rate it an outstanding technological package and the best buy in its class by a margin. It costs £11,750 with power steering, which is a little less than a 16 valve VW Golf GTi similarly equipped though without all-wheel drive.

The fact that the Mazda has a slightly lower power-to-weight ratio than some rivals with larger engines (the Peugeot 205GTi 1.9 litre, for example) is unimportant. What you have under the bonnet matters less than what you can actually put on the road, rain or shine.

I drove the Mazda shortly after I had had the Golf GTi 16 valve which makes comparisons inevitable. Both cars have similar power-to-weight ratios and overall gearing. Whereas hard acceleration in the lower gears made the Golf spin its wheels embarrassingly on wet roads, the Mazda catapulted away without any loss of traction.

All-wheel drive really does have a calming effect on a powerful car because it halves the work the front tyres have to do when you turn on the power. It showed when I ran into a blizzard on a hilly minor road. All the other cars slowed down to a 25 mph crawl (40 km/h). I slipped the Mazda into third and flew past them at 50 mph (80 km/h) without a hint of wheelspin. Only when I saw other vehicles slewing sideways as they struggled to climb the hill did I realise how slippery it had become.

Braking is another matter. One of the few features the Mazda does not have is ABS brakes. When a car needs all-wheel drive to match road grip with power output, I am inclined to think ABS is required to match braking performance with its get up and go.

The Mazda, with its rev counter red-lined at 6,500 rpm, feels flexible enough in town but it really takes the bit between its teeth at 2,500 rpm when the turbocharger starts working.

It goes from 50-70 mph (80-113 km/h) in third gear in five seconds and in fifth soars from 70 mph (113 km/h) to whatever your conscience permits. Mazda says the top speed is 127 mph (205 km/h). What I liked about it was its useable acceleration, regardless of road surface. In the real world, top speed means little nowadays.

Where the Mazda falls down by comparison with the VW is in refinement. The radio starts to lose the battle with the thrummy engine at around 70 mph.

There is a lot of vibration in the exhaust system and the notchy gearshift is no match for the Golf's.

It does not ride too bumpily although some harshness from the grippy 60 series Dunlops reaches the interior, especially when you hit a pothole or drain cover.

The handling is sharp and precise and the engine-speed related power steering ideal. One cannot explore the handling and roadholding of a car like the Mazda on public roads. I was lucky enough to do so on a tyre-testing track in pouring rain last summer. At high speeds, on tight bends or on long sweeping curves, I could not make it put a foot wrong.

The Mazda's noise and roughness stem from its creation as a sporting car—it has already made a profound impression in rallying. The importers, who see it as a potential cult car of the late 1980s, think it will appeal to buyers who like technology for its own sake, who want a high-performing fun car for the weekends and value the safety of permanently engaged four wheel drive.

I disagree with none of this. But I think that higher overall gearing might improve it for some potential buyers who like a fiery small car to be reasonably quiet, too. Higher gearing would help fuel consumption, which at present is around 24 mpg (11.8 litres per 100 km) if you are enjoying yourself but nearer 30 mpg (9.5 litres per 100 km) is possible if you keep the engine off the turbo by using a light foot on the accelerator.

Bodily, the Mazda is an average 4/5 seat hatchback with fold-down back seats, a large tailgate and—a nice touch—an electrically operated sunroof.

A car of equivalent specification from Volkswagen might be more urbane but would, I suspect, cost at least 25 per cent more than the Mazda.

Stuart Marshall

Vauxhall's hot trio

THREE NEW Vauxhall models raise the performance stakes still higher. The two-litre Astra GTE (£9,439) and Cavalier SRi 130 (£9,939) use the same engine and five-speed gearbox. The Astra is said to be good for 127 mph (205 km/h) and the Cavalier 120 mph (193 km/h). A six-cylinder Carlton GSi 3000 with 177 horsepower under the bonnet is the most potent Vauxhall yet, with a claimed maximum of nearly 140 mph (225 km/h). It costs £16,399 with manual transmission.

The Astra GTE felt a taut and sporty package when I tried it last week, with firmly precise handling and not at all a bad ride. A wide-bore exhaust system gives the Cavalier's two-litre engine another six horsepower (130 compared with the Astra GTE's 124), which might have been the reason it seemed more prone to torque-steer—a tendency to snake from side to side during hard acceleration in the lower gears.

But the Carlton GSi 3000, a rear-drive contender in the Granada class, combined enough performance to demand close attention to the rear-view mirror. It would be a splendid car in which to put 100 miles (160 km) or more into each hour on the autobahn. On bumpy, secondary roads I was aware of some harshness from the ultra-low profile V-rated tyres, but it is quite a lot of very fast car for the money.

All-in-one Michelin

AT LAST, the whole of France is covered by a Michelin motoring atlas that is the equivalent of all 90 of the famous yellow maps within a single book. 1:200,000 (about 3.2 miles to the inch) they are detailed enough for proper navigation down the tiniest lanes, clear enough for easy reading on the move. There is a two-page route finding spread and detailed plans of major cities. At £7.95 (or £15 for a hardback with supplementary information for your home bookshelf) it is an indispensable aid to the motorist in France. Together with the Michelin Red Guide (just out for 1987 at £8.25) they should ensure that you run no risk of getting lost or going without bed and board.

Roger Beard visits Arles, inspiration to Vincent Van Gogh

Lure of the city of light

VAN GOGH'S masterpiece, *Sunflowers*, goes under the hammer on Monday and could fetch £15m — a world record for any work of art. Just one of 300 works he painted during his 15-month stay at Arles in the 1880s, it is a measure of the impact the city, its countryside, and the magical light of Provence had on the master.

As for that price, even a tenfold increase would not buy the pride the Arlesiens have in their city, nor the memories that keep its admirers warm until their next visit. And they are right. Arles has sufficient style, atmosphere and beauty to keep a man happy for the rest of his life. It makes Paris look like an overweight tart, and Nice, Cannes and the rest like her daughters.

Much of this the guide books put down to Arles' history. The old capital of Gaul, then a kingdom in its own right, this bridgehead on the lower Rhone has more than its fair share of historic buildings and museums. But who would want to live their life between the covers of a Michelin Green Guide? One doubts that our painter gave a fresh fig for the Romans or the Counts of Provence.

It is more a matter of its scale, for all that history and the buildings that go with it are packed close against the banks of the Rhone, in an area just 600 metres square yet with sufficient boulevards, shady plane trees, even hotels to keep the most energetic tourist busy for a week.

And just a day trip away are Aix, Avignon, Nimes, Tarascon, and the reclaimed marshland of the Camargue—a gazetter of the geography of western Provence and visitable by train, coach, bus or car. But Van Gogh only left Arles for the lunatic asylum.

Detail from "Sunflowers"

Of the many hotels available, there are two which are outstanding, if for different reasons. The Arlatan, on a quiet lane close to the Place du Forum, is sheltered from the dawn-through-midnight hubbub which characterises Arles in season. It also has that rarest of Arles facilities — *le parking*. The other is the Hotel Nord-Pinus, because it is eccentric, almost weird. It is also where the bullfighters stay.

Bull fighting has been in Arles for as long as the town's most famous monument, its first-century arena, and is still staged there, though in a very different form from the way the Romans played the game. To western Provence, bull fighting is as important as soccer elsewhere and produces similar heroes among the *razeteurs* who take the place of Spanish matadors.

They work for their adulation, though, against another set of fans—the ones who support the bull, for Provencal bull fighting turns Hemingway's macho world upside down. It is the bull who is the hero, never being killed or as much as scratched. The unarmed, white-trousered *razeteurs'* job is to snatch three rosettes from off and between its horns.

The bull does the fighting, the *razateurs the running*, and the local paper report the next day is written from the bull's point of view, complete with its name and details of its previous fights. It is crazy, very exciting, and in Arles very important. The *razeteurs* are also very brave.

Be warned, though. It is the *concours Camarguais* you must buy tickets for, because they also stage Spanish fights where the bull is killed, and Portuguese ones where it is merely tortured.

After that, pick one of the cafés on the Boulevard des Lices and watch the world go by. Only then will you be ready for the rest of the city's tourist circuit, starting first with the Museon Arletan, dismissed in Michelin as "a unique museum of Provencal life."

It is far more than that. In over 30 rooms they have collected together the best exhibition of local customs, dress and culture in Europe.

To the rest of the world Arles may stand for Van Gogh, but to many Arlesiens it stands for the 19th century poet Frederic Mistral. There are none of Van Gogh's paintings in the town; his Café du Soir has become a shop; the Café de Nuit was at least until recently the Bar Alcazar, and the Yellow House was obliterated by an Allied bomb in 1944.

Mistral, on the other hand, has both the Museum Arletan and a ten-feet bronze statue in the main square, looking profoundly pretentious in his artist's felt hat and swirling cloak.

The serious tourist, though, is not yet finished. The Roman theatre is still there, though now more of a tastefully reconstructed classical ruin. It was here that they dug up the Louvre's Venus of Arles.

The cathedral, St Trophime, has arguably the best Romanesque west door in the South, a magnificent cloister, and was incidentally where St Augustine was consecrated as first Bishop of England—there are museums of both pagan and Christian art.

Finally, Arles extends over both banks of the river to Trinquetaille, where the hotels are cheaper and considerably quieter than in the main city, but within walking distance. As for the Rhone, there is a fine walk to be had along its quays, if only to get the somewhat dry air of the classical museums out of your lungs, and the wind on your face.

CHESS

A TOURNAMENT procedure which often bewilders novices is what to do when a game is adjourned. Adjournments rarely arise in social or friendly play which is normally at a fast pace with several games finished in an afternoon or evening.

Adjournments may take place in tournaments after any period from two to six hours so as to give both sides a break from hard concentration. Resumption may be later the same day or at a different date, depending on the schedule.

A sealed move at adjournment is a special move which has decided many a game. The position is noted down on a diagram, the clocks are stopped, and one player writes his move on the scoresheet without making it on the board. It is revealed to the opponent only on resumption, a process which ensures that neither side gains an undue advantage.

The move sealer knows the precise position at which his opponent can only guess, but has the compensating disadvantage of committing himself to a move at the board after several hours of tiring play. His rival has to analyse several choices which might be in the envelope, but can plan his replies and follow-ups as accurately as if the game was by post rather than over-the-board.

By common consensus the best situation at adjournment is for the opponent to seal a move which is forced or where there is little choice. The non-sealer then has relatively few positions to analyse during the recess and can hope to control the game well into the next session.

Failing this optimum state of affairs, it is generally better to seal than to allow the opponent to do so. An example of the value of sealing in an unclear position was the fifth game of the world title match at Baguio in 1978, where Korchnoi and his aides worked for a full day without properly analysing Karpov's unexpected sealed move N-R2. In consequence, Korchnoi became acutely short of time in the next session and missed an easy forced mate.

A weak sealed move may not be fatal if the opponent misses it, and one school of thought declares that one should prefer a slightly second-best sealed move if it seems likely that the opponent will analyse a more obvious attempt. Korchnoi favours this technique and used it to effect in the closing games at Baguio when he recovered from 2—5 to 5—5.

There are two homely but necessary basic points for anyone making a sealed move. First, make doubly sure the move written down is the one intended and is legible to the referee. Illegal or unreadable sealed moves lose the game. Second, make sure the score sheet with the move is really in the envelope before sealing it up. At least twice in major tournaments the sealer has got a zero by absent-mindedly putting the move into his pocket.

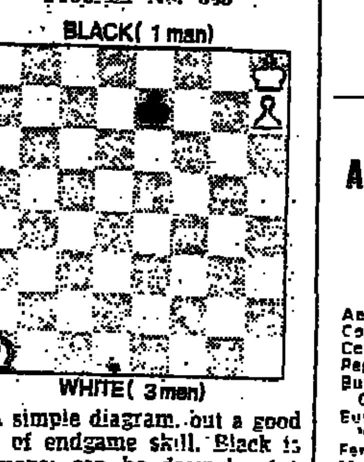
What should you do if you adjourn with an inferior position and the sealing opponent then offers a draw? Maybe he really cannot win, but perhaps he has sealed a mistake. The hard-headed competitor will insist on viewing the sealed move, for the draw offer remains valid until the opponent turns it down or makes his reply on the board.

Finally, there is hope for anyone who considers sealed moves a bureaucratic encumbrance. The change to six-hour sessions has drastically reduced adjournments in recent tournaments, while the blitz finishes and speed chess of weekend or one-day events do away with sealed moves altogether.

Kasparov v. Short The world champion leads 4-1 going into tonight's final game (Channel 4, 6.30) but game six is the most exciting of the entire series. Speed Chess Challenge by Raymond Keene (96 pages, £7.50) gives all six games with photos, diagrams, and commentaries.

Problem No. 665

BLACK (1 man)



WHITE (3 men)

A simple diagram, but a good test of endgame skill. Black is to move; can he draw by (a) K-B1 (b) K-B2 or (c) is he lost whichever move he chooses? Solve that, then transfer the knight to QN1 in the diagram, with the same puzzle.

Solution Page XVII

Leonard Barden

Legal Notices

No. 001148 of 1987
IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
IN THE MATTER OF
THE ARGUS PRESS HOLDINGS PLC
AND IN THE MATTER OF
THE COMPANIES ACT 1985

NOTICE IS HEREBY GIVEN that a Petition was on the 11th day of March 1987 presented to Her Majesty's High Court of Justice for the confirmation of the reduction of the capital of the above-named Company from £8,437,099.25 to £6,162,099.25 by returning capital which is in excess of the wants of the Company.

AND NOTICE IS FURTHER GIVEN that the said Petition is directed to be heard before The Honourable Mr. Justice Vinelott at the Royal Courts of Justice, Strand, London, on Monday the 6th day of April 1987.

ANY Creditor or Shareholder of the said Company desiring to oppose the making of an Order for the confirmation of the said reduction of Capital should appear at the time of hearing in person or by Counsel for that purpose.

A copy of the said Petition will be furnished to any such person requiring the same by the under-mentioned Solicitors on payment of the regulated charge for the same.

Dated this 28th day of March 1987.
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Solicitors for the Company.

No. 001146 of 1987
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CHANCERY DIVISION
IN THE MATTER OF
THE ARGUS PRESS PLC
AND IN THE MATTER OF
THE COMPANIES ACT 1985

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AND NOTICE IS FURTHER GIVEN that the said Petition is directed to be heard before The Honourable Mr. Justice Vinelott at the Royal Courts of Justice, Strand, London, on Monday the 6th day of April 1987.

ANY Creditor or Shareholder of the said Company desiring to oppose the making of an Order for the confirmation of the said reduction of Capital should appear at the time of hearing in person or by Counsel for that purpose.

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AND IN THE MATTER OF
THE COMPANIES ACT 1985

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ANY Creditor or Shareholder of the said Company desiring to oppose the making of an Order for the confirmation of the said reduction of Capital should appear at the time of hearing in person or by Counsel for that purpose.

A copy of the said Petition will be furnished to any such person requiring the same by the under-mentioned Solicitors on payment of the regulated charge for the same.

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Antony Thorncroft on the Windsor jewel auction

The final act of a Royal romance

THE Sale of the Century is a catch phrase that has been debased to the level of a television quiz game, but it trips naturally from the tongue when describing the auction of the jewels of the Duchess of Windsor by Sotheby's in Geneva next week. It is the saleroom media event of the year, eclipsing even Christie's big night on Monday when it disposes of Van Gogh's "Sunflowers" in London for an auction record price.

Of course, the attraction of Geneva is not the actual jewels: apart from a few very choice items, the gem value of most of the lots is quite modest. The rich and famous, with their attendant TV crews, will be cramming by the thousand into a tent on the shores of Lake Geneva to witness the last act of the great love affair of our era. Whether Mrs Wallis Simpson was an adventuress or a victim—the lively sale catalogue, in its biographical comments, veers towards the former—the saga of the Windsors reduces *Dallas* to a strip cartoon.

And yet, the jewels are not without interest. Both the duchess and the duke were fascinated by jewellery, in the settings as much as the stones; and as the complete Modern Woman the duchess not only patronised the established jewellers, like Cartier of Paris and Harry Winston of New York, but bought from the younger and more experimental craftsmen.

By a fluke of fashion, these jewels of the 1940s and 1950s, after falling from favour for a couple of decades, are now highly regarded and most sought-after. They could not be offered for sale at a more appropriate moment.

Sotheby's has rather naughtily estimated the lots at their gem value, plus a small premium for the provenance. In the event, every lot will go for many times the forecast, some for 10 times more. A total of £5m was mooted originally — double this sum would seem to be the minimum now likely. The money will go, at the wish of the duchess, to the Pasteur Institute in Paris, the leading research centre for Aids.

This is a collection of jewellery rather than jewels; of gifts between lovers to commemorate happy or poignant events rather than flash manifestations of wealth. There are some blockbusters; notably the "McLean" diamond, so called after a previous owner, the American socialite Evalyn McLean, who had the famous Hope diamond in her collection.

This diamond ring, by Harry Winston, carries a top estimate of £500,000 as does the ruby and diamond necklace by Van Cleef & Arpels that the duke gave to Mrs Simpson in 1936 to encourage her at a difficult time. Dealers will be bidding here, both to reclaim famous items for their archives and for re-sale.

For once, they will be bidding against their best customers, who will want to attend such a dazzling occasion. The most furious competition will centre around the eye-catching *bijoux* which trace the Windsors' courtship—the gold, emerald and diamond pendant, with a carved slipper on it, which perpetuates Slipper, a cairn terrier that the duke gave to Mrs Simpson and which died young; and the gold and gem-set cigarette case by Cartier on which the stones plot, on a map of Europe, the secretive holidays of the couple in the mid-1930s. (Anyone who thinks a bid of £2,000, Sotheby's top estimate, will secure this item will be quickly disillusioned.)

At an even more personal level are the jewels carrying inscriptions in the lovers' personal code. A diamond bracelet by Cartier supports nine gem-set Latin crosses, all with inscriptions covering almost 10 years of high adventure: one records the duke's escape from a threatening Irish journalist with a revolver; another the duchess's recovery from appendicitis.

Many rich women will want to carry something of the Duchess of Windsor into their lives. The new owner of the flamingo clip, which the duchess wore for more than 30 years, will be announcing to the world at large that he or she now possesses one of the most familiar and dashing items of jewellery made this century. It is the same with the tiger bracelet in onyx and diamonds; the sapphire and diamond panther clip: and the other "Great Cat" jewels by Cartier which the duchess made famous.

More discriminating buyers will go for the stained blue chalcedony, sapphire and diamond necklace and ear clips that the duchess ordered from the revolutionary designer Suzanne Belperron; or the gold and aquamarine compact designed around 1950 by the eccentric Sicilian aristocrat Verotura. The duchess took a great interest in the jewellery made for her, advising on the designs and often changing the settings. To a great extent, it was her obsession; her alternative to living the life of a queen.

Despite popular rumours, there are no stolen jewels from the Royal Collection here, although the duke is represented by clocks and swords and tankards and tobacco boxes acquired when doing his duty as Prince of Wales. There are missing items; but then, the Windsors were robbed in the 1940s. The insurance money financed another spending spree.

Perhaps it is best that the remmants of such a corruscating relationship should be scattered to the four corners of the earth from business-like Switzerland. It always combined the prosaic and the romantic, not least in the duke's engagement ring. It cost him £15,000 in 1936, including an emarald which was reputed to have belonged to the Great Moghul — and which the duchess had constantly remounted.

The Duchess of Windsor as photographed by Cecil Beaton in 1937. Thousands are expected at next week's *sale of her jewels.*

Robin Lane Fox dreams of re-creating an old French garden shaped like a goose's foot

Pâté de foie grass

FOR YEARS, I have wanted a piece of garden designed like a goose's foot. This pattern is not my private fantasy, a tribute in greenery to days with *pâté de foie* or a living *souvenir of lessons* in some beastly goose-step. It is an old pattern for alleys and avenues which was much favoured in France *in the 17th century.*

I have never discovered who invented it, but I first saw the pattern as a schoolboy while secretly *looking at gardening* books during history lessons, and have set my sights on it ever since. Thirty years later, I find myself an *historian who* can now read gardening-books openly for a living. During last week, my goose-print avenue *(the French patte d'oie)* was supposed to come out from under the desk and put its best foot forward.

There are at least three stages in any new garden-plan: design, execution and learning to live with the result. I can only say *at this point that my goose-foot* design is clearly going to become a saga and I will have to tell the cautionary tale in *instalments. This week,* I will deal with the design, because it is easily described and may, perhaps, attract you too.

Imagine five avenues, radiating outwards like the fingers from the outstretched palm of a hand. The main avenue runs straight down the central perspective; two side ones flank it on either side, turned at an angle of about 25 degrees; two further avenues flank these two, turned again at 35 degrees or more. You can also plant a tall tree in each of the triangular wedges which open between these avenues' angles, like the nails, I suppose, with which French pate-fanciers pin the poor goose's foot to the ground. Otherwise the lines should be straight, simple and kept as closely mown walks. One day, there could be a classical bust at the end of each grass-walk and perhaps a wider semi-circle *of clipped hedging,* like a threshing-floor or dancing space, off which the alleys of the goose-foot would open.

Over the years, I have resolved that the individual avenues need not be very long. The design does not need a large ground space. Rather, it needs a garden which is divided into two planes or two levels. A wide flat lawn could be narrowed down by wings of taller green hedging into the semi-circle, off which the avenues could then open.

Alternatively, the lawn could be narrower and the avenues could open out the vista from a lower piece of garden into open country beyond. Knowing modern England, I had decided that my goose-foot would probably narrow the vista down, if only to hide any farmers in the middle distance. Somewhere, there would be a grain-dryer or a bare, arable plain.

If you wait long enough, perhaps you eventually find what you want. This year, I have been moving gardens and at *last I have found the very site:* a broad flat lawn, then a narrower rectangle of rough turf which could be hedged and *goose-footed to distract the eye* from an axis which runs off centre. Each avenue would extend for about 30 yards; they would slope away from the eye to a tolerable boundary-hedge; they would also cope with a few miserable Christmas trees which could be felled and made invisible in the joins between each alley in the foot's pattern.

One school of thought thinks that these types of design should only be laid out after reading the learned books of French garden-designers. Personally, I prefer to use a large ball of string. Like Ariadne, you mark out the paths with thread and make your own little labyrinth, attaching lines of string to good stout stakes. Some books may tell you to mark out the lines on the ground with sand, but you cannot dig neatly to the line of a sand-trail and I much prefer *string.*

As always, there are minor problems. Should the goose-foot be webbed, with a gap between each of *its radiating avenues,* or should each avenue open without any interval, taking its angle from the front plant in its neighbour's line? French engravings often show a *patte d'oie* without webbing, but I think a gap will make better sense. It allows the trees in the foreground of each alley to spread without colliding at their narrowest point

How should the avenues be planted? Masters of the goose-foot sometimes used nothing but tall and upright trees; their engravers and artists show goose-feet of tall, clipped hedges, but they may be lying. Over the years, I have decided to compromise. I would have loose hedges of shrubs, and at intervals an upright tree to lead the eye down each avenue to concluding busts of Homer, Alexander and three other classical worthies. The short-list varies for these three vacancies, but at present, the likely winners are Sophocles, Solon and one of the historians, probably Thucydides, though I have never seen a bust of him in any garden.

As for the plants, I have had them planned for ages. Most of the shrub-hedges would be in *formal* lines of mock orange blossom so that I could walk between *drifts of* white flower and a heavenly scent on the best summer evenings in June. The intervening trees will mostly be *upright, fastigiate* Hornbeams, suitably French and willing to be trimmed into any convenient shape. They also cast very little shade. In the outer avenues, I have thought of tall magnolias, interplanter with a vigorous single-flowered rose, the shocking pink Rosa Complicata. Everybody underestimates the eventual span of a tree or shrub, but I have allowed about two yards' width for each hedge and about five yards' width for each grass-walk. In future, the trees and shrubs can always be clipped.

So much for the design of this simple and amusing scheme. For a fortnight, my goose-foot had been outlined in runs of garden string and has already become a reality to my *faithful* eye. When the design comes to terms with reality, the problems really begin. This week, my avenues have been wrestling with couch-grass and creeping buttercup, those facts of life in turf. They have, I think, touched *rock bottom* in more ways than one: I postpone the second episode until next week, when I hope that my final way *out of the maze may have* seen them over the worst.

William St Clair on the priceless Shelley manuscripts held by the New York Public Library

Percy Bysshe Shelley by Amanda Curran 1819

Treasure on 42nd Street

THE NEW YORK Public Library has recently acquired the most magnificent gift in its recent history. At a brief ceremony shortly before Christmas, Mayor Edward Koch publicly accepted the Shelley collection of the Carl and Lily Pforzheimer Foundation on behalf of the city.

In money terms it has been valued at $20m, and the foundation has thoughtfully added an endowment of $3m to help with maintenance. As a prime source for the history of thought, it is beyond price.

Percy Bysshe Shelley is among the greatest of English poets. The music of his verse permeates the English language. But Shelley had no wish to be an entertainer or a literary man as such. "Poets are the unacknowledged legislators of the world," he proclaimed, and he devoted his short life to making that aspiration a reality. Without an imaginative vision of how things could be changed, he believed, people would go on repeating the same errors. Poetry for Shelley was the surest — and ultimately the *swiftest — path to reform.*

He has been called a socialist, but this is something of a slur. Shelley advocated freedom from all political institutions, from religion, from marriage, and from other aspects of the property system. Above all, he hoped to liberate the human spirit from the icy chains of custom which keep men and women down among the worms.

He has always been an uncomfortable figure. His father, who was a baronet, a member of Parliament and one of the biggest landowners in Sussex, could never understand how his family could have produced such an aberration.

In the years after Waterloo, several booksellers went to prison for printing or selling his poems. The Victorians later accepted him into the canon of English literature, but only by emphasising his unthreatening lyrics about skylarks at the expense of his more considerable works. Shelley is a rare example of a writer acknowledged as a towering genius, even by those who detest his message.

The late Carl H. Pforzheimer, who died in 1957 aged 78, accumulated most of his collection in the 1920s and 1930s. His initial interest was in modern *first editions,* but he bought extensively in other fields including Elizabethan literature and early printing. "The keystone of any collection of books," he wrote in the published catalogue of his library in 1940, "is of necessity the first printed book now known as the Gutenberg Bible."

It was an ambition more easy *to achieve in those days* than now, when only one copy remains in private hands and is not for sale. But, as with many collectors, his discrimination sharpened and he began to concentrate his activities. The Shelley materials were always at the heart of the Pforzheimer collection.

On the face of it, Shelley was *an unlikely* obsession for a man who made his fortune as a bond-dealer on Wall Street. But the sparks carried by the wild west wind of Shelley's poetry have often lit *fires in unlikely places,* as was Shelley's hope. The New York Public Library now has about 8,000 manuscripts and 13,000 printed books relating to Shelley and his times.

The collection includes drafts of Shelley's poetry, a long *series of his letters (perhaps* as many as a third of the total surviving), the notebook containing his *Philosophical View of Reform,* and many of his books with his annotations. It complements the family papers in the Bodleian Library at Oxford, the university from which Shelley was expelled.

Shelley was in a hurry to reform the world, and it shows. His handwriting is appalling. Always restlessly on the move, he scribbled down ideas as they occurred on any scrap that was to hand, *often in the open air.* Seldom out of trouble, his books and papers often had to be abandoned and were then *scattered like autumn leaves.*

He has often been misunderstood, sometimes wilfully. Until recent decades he attracted an undue share of sloppy critics, lazy editors, and biographers more interested in projecting their own fantasies than in reading the documents and uncovering the facts.

In 1956 Pforzheimer launched an ambitious scheme to print transcriptions of the manuscripts in his library edited to the highest modern standards. *The first two volumes of Shelley and His Circle* appeared in 1961 and volumes VII and VIII have just been published by Harvard University Press.

They are monuments to the art of the scholar, careful, thoughtful and thorough, and drawing on an ever-widening range of disciplines. Having contributed myself, I know how conscientious and exacting the editors are in searching out and *checking every detail.*

The Pforzheimer manuscripts are accessible only to those who can demonstrate a good cause for seeing them. Documents due for publication in *Shelley and His Circle* normally remain closed, a policy which has drawn criticism. Clearly, a balance has to be struck, not least to preserve the papers, but Shelley disliked any *suspicion of monopolising.* Henceforth, decisions on access will be for the authorities of the New York Public Library, *in accordance with the terms* of the gift.

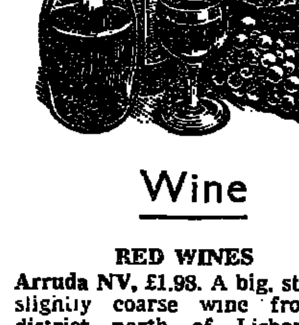
When you are in 42nd Street, however, be sure to visit the recently opened Edna Barnes Salomon Room, where the library's best pictures are on exhibition. When you have admired the five portraits of George Washington, you can look at Shelley's parents, Sir Timothy and Lady Shelley, by Romney, which are part of the Pforzheimer gift. There is also an interesting portrait of Mary Wollstonecraft, founder of modern feminism, looking very chubby and rosy.

The original by Opie normally hangs in the National Portrait Gallery in London, but is not yet back on view after its recent restoration. The New York copy, which was commissioned by Aaron Burr, disgraced Vice-President of the United States soon after Mary Wollstonecraft's death preserves details which the original picture lost in the 19th century *as a result of over-cleaning.*

For example, Mary's tummy bulge is more noticeable giving the first pictorial indication of the daughter who was to become Mrs Shelley, the author of Frankenstein.

Supermarket selections

The Sainsbury range of wines is probably unrivalled in the High Street, says Edmund Penning-Rowsell.



Wine

ALTHOUGH Sainsbury's wines in their 270 branches have *several competitors in the High* Street, notably Waitrose and, more recently, Tesco, their range is probably unrivalled. *Perhaps rather too large, for it* numbers about 250 different wines though not at all branches. Their Vintage Selection *is likely to be found* at about 80 branches. The back labels are suitably informative. Out of a selection of more than 30 wines offered by the wine department at a recent tasting the following particularly appealed or interested me. Those in the Vintage Selection are indicated.

WHITE WINES

Tocai Friulana Aquileia 1985, £2.69. From an estate on the flat, vineyard-covered plain of Friuli near the top of the Adriatic, *the grape has nothing* to do with Hungarian Tokay and is more allied to the Sauvignon. It has an attractive, fresh *nose,* and a slightly green flavour, but its fruitiness carries this.

Domaine Mesté Duran 1985, magnum £4.95. This comes from the Gascon area in which Armagnac is distilled, and is made from the same grapes. Even a vin de pays magnum has a certain cachet, and this is a youthful, crisp wine, admirable for parties. (Vintage Selection)

Quincy 1984 (£3.95) Sancerre Les Beauregards 1985 £4.95. Both these Upper Loire wines are made from the Sauvignon grape. Although Sancerre has the wider reputation and 1985 accounted a better year than 1984, the Quincy has a fruitier bouquet and a more mature flavour than the Sancerre, which is fruity but still rather ungenerously green. (Vintage Selection)

California Chardonnay N.V. £3.45. The fall in the dollar has made the less expensive Californias more accessible. This is drier, less fat than most Chardonnays from there, but has some oak on the nose, and is fresh and young. Good value.

Alto-Adige Chardonnay 1985, £3.25. This has more bouquet and more depth of flavour than the California wine, with which it makes an interesting comparison. It is a fuller wine.

Rully Les Thivaux 1984, £5.75. From the Côte Chalonnaise to the south of the Côte d'Or, slight colour denotes the moderate vintage, but the *bouquet* is attractive and the flavour full and long. Good value at a time when white burgundies are expensive. *(Vintage Selection.)*

Alsace Riesling 1983, £3.25. Riesling is King in Alsace if nowhere else in France. This *one comes from the co-operative* in Bennwihr and has the fine, flowery nose, along with a full flavour that is dry but its roundness gives a hint of sweetness. Good value for a wine of a leading vintage.

RED WINES

Arruda NV, £1.98. A big, strong, slightly coarse wine from a district north of Lisbon. A quaffing wine to accompany strong-flavoured food.

Rioja Vina Alberdi 1983, £2.95. Distinctly brown in colour, as Riojas often are, and with a typical oaky nose and a lot of fruit. In a highly competitive *market for Riojas this must be* good value.

Fitou La Carla 1983, £2.59. Until recently Fitou was the *only appellation contrôlée wine* in the Roussillon. It is typically big and round, with some evident tannin and an attractive bouquet that comes out of the glass to meet one. (Vintage Selection)

Beaujolais Villages, Ch des Vergers 1985, £3.85. With a typical Gamay nose, and its typical touch of acidity, but a good balance of fruit and acidity, this "village" wine is for drinking after the "nouveau" has been gulped down. (Vintage Selection)

Sainsbury's Claret NV, £2.35. This Bordeaux Supérieur—which means that it must have a minimum strength of 10.5 degrees, half a degree more than an ordinary Bordeaux—has a fine nose and is very well developed. It must surely include a good deal of 1985.

Ch Tourteau Chollet, Graves 1984, £4.95. Already slightly brown in colour, indicating development, this red Graves has a distinguished bouquet, and a well-balanced but tannic flavour, with a long taste. A claret worth keeping for a few years. (Vintage Selection).

Pavillon Rouge du Château Margaux 1981, £14.25. This is the second wine of a first-growth claret whose quality and reputation has been rising in recent years. Produced from the younger vines it may represent 20 per cent or more of the crop, depending on the vintage. This one has fine colour, a lovely Médoc *aroma,* and *plenty* of body. Though drinkable now, it would be a pity to do so, and should be kept for perhaps five *or more years. But worth* buying now while still available (Vintage Selection).

Nuits Saint Georges, Clos de Thorey *1983 £13.75.* Like the above claret this is one of Sainsbury's Vintage Selection designed to attract the carriage trade class of wine drinkers. This red burgundy has the real Pinot nose, lots of body and fruit, and can be drunk now, but worth keeping. (Vintage Selection).

April prices.

Small centres are flourishing, says **Arthur Hellyer**

Nurseries grow up

WHEN GARDEN centres began to flourish in the UK a quarter of a century ago it was widely predicted that the days of the small specialist nursery were numbered. In the event exactly the reverse has happened. There are probably more small, privately owned nurseries now than at any time. It has been my good fortune to visit a number of them.

They ranged in size from a very tiny one specialising in auriculas, *run singlehanded by* a housewife in her own small bungalow garden (lately it has spilled over into the back garden of a friend), to nurseries that fill an acre or more. The feature common to all is that they are maintained as much for love as for profit.

Many have actually grown out of hobby gardening. Holly Gate Cactus Nursery stemmed from the purchase of six small cactus plants in a marketplace in Nice. The purchaser, Clive Innes, liked them so much that he began to buy more. He extended his greenhouse and then built another, but still the collection grew, so he decided to offer six epiphyllums in a small advertisement in a gardening *magazine.* The response soon exhausted his stock; eventually he decided to move to a derelict nursery at Ashington, *West Sussex, and go* "commercial." Ten years later he was joined by Terry Hewitt, a bank cashier who loved cacti more than cash.

Now Mr Hewitt is the proprietor of a nursery which includes one of the finest display houses for cacti and other succulents in Britain. Mr Innes lives close by, keeping *a friendly eye on it all and* devoting much of his time to writing and publishing books about cacti, succulents, bromeliads *and other favourites* he has picked up along the way.

Recently I attended a party to celebrate the golden jubilee of what I believe is the oldest surviving specialist alpine plant nursery in the UK. Walter Ingwersen, born in Denmark, came to Britain early this century, and spent some time in charge of the alpine department in the Royal Horticultural Society's garden at Wisley. Then, following two partnerships in small firms specialising in alpines, the great William Robinson, editor of horticultural magazines and author of gardening books including the highly influential English Flower Garden, offered Mr Ingwersen Birch Farm. It is a mile from the public road in the heart of his beautiful Gravetye estate near East Grinstead, East Sussex. Walter Ingwersen arrived in 1925, but the limited company which now owns the nursery was not formed until March 1927; hence the present celebration.

Both Walter's sons, Will and Paul, inherited their father's love for alpine plants. After his death in 1960 they continued to run Birch Farm as a family business. I first visited Birch Farm Nursery in 1929, and it *does not seem to me to be very* different today, but the figures tell me that production has enormously increased: *something like 100,000* plants for sale in over 1,600 varieties. This is made possible—with a very small staff—by making full use of modern labour-saving techniques. It is a staggering performance for what is still a small, personally run business.

There are many other nurseries of similar character and interest. Frank Lawley, a university lecturer, grows cottage plants in a cottage nursery at Hartington in Northumberland. Gordon Harris, a solicitor with a passion for maples, grows these and many other rare trees and shrubs at Mallet Court, Curry Mallet, near Taunton. Not far away Lord Skelmersdale has a wonderful nursery of small and unusual bulbs at Bishops Hull; and there is a similar nursery, Avon Bulbs, at Bathampton, near Bath. In the garden of an Elizabethan manor at Loddon, in Norfolk, Terence Reed, once a National Farmers' Union official, grows unusual fruit trees and conservatory plants.

One could go on filling pages with names and addresses. The difficulty for most would-be customers is to discover just where these little nurseries are, and what they specialise in. Holly Gate, Birch Farm, the small bulb nurseries I have mentioned and some others are frequent exhibitors at flower shows, but many nurseries get all the trade they need with almost no publicity—except that given by satisfied customers.

Guides to nurseries are published from time to *time,* but these naturally tend to concentrate on the larger establishments. One that I find useful is The Good Gardeners Guide, published by the Consumers' Association and Hodder & Stoughton. For a paperback book *£7.95* seems high, but it does run to 485 pages, including half a dozen outline maps showing where the nurseries are.

It also gives quite comprehensive accounts of many of them. One section, 90 pages, is devoted to specialist nurseries, and this contains over 400 names, yet even so it omits a good many of those I know are worth visiting by those interested in plants for their own sake. The best advice I can give is to get a good guide and then keep on asking questions as you travel around. You will probably be astonished at what turns up.

هكذا من الأصل

هكذا من الأصل

Next week Diversions starts Walk Wild, a new series on the pleasures of hiking.

But first, you need the right gear . . .

Putting the best boots forward

Lucia van der Post

HOW TO SPEND IT

WHAT serious walkers wear is a serous matter. Do not, if you wish to have any credibility at all, don a Woolies' anorak and a pair of gym shoes.

Credentials are most easily established by what you put on your feet—anyway, in the end they are what count most. It is over boots that walkers are most often prone to lyricise and to discuss in loving detail the merits of Britain's own dear G. T. Hawkins (the Rolls-Royce of the walker's boot world, you might say) and the Berghaus Scarpas from Italy.

These traditional, stitched leather boots still have the craftsmanlike quality, the look of a work of art, that can bring tears to the eyes of those who feared such things had been lost for ever.

If you are a traditionalist at heart, then look for the name of G. T. Hawkins and ask for its grease-impregnated leather walking shoes—these are made from one lovingly-cut continuous piece of leather.

The Berghaus Scarpa Bronzo is another traditional, stitched leather boot that has seen many a walker through long, intrepid hours on the hoof. The disadvantage of these boots, and it really is important to take note, is that although they will probably last you a lifetime, the first few days may be agony.

So, if you have set your heart on one of these classics of the walkers' world, buy them well in advance and break them in long before you start on any long expedition; if you do, you can be sure they will be tough, hard-wearing, resoleable, and very nearly waterproof.

Also, be armed with credit cards or a handy loan—classics like these do not come cheap and something like £75 seems to be the going rate. Treat them regularly with Nik wax or Mars leather food.

If you are more of a modernist, you can take heart: many of the newer, lighter boots—made of injection-moulded parts with removable inners, nylon and suede uppers, and other new-fangled inventions—are proving themselves durable, virtually waterproof, light and comfortable.

Many a walker believes in having a boot with a thick rubber or EVA foam shock-absorbing wedge (a considerable help in preventing ankles from turning over in hilly country)—the comfort they bring is, apparently, bliss to those brought up on tougher things. Look for names like the Brasher Boot (called after guess who?) or the Asolo boot at £59.95.

If you are likely to be walking in snow-covered areas, Berghaus does a marvellous waterproof gaiter that fits over its Scarpa boot to give a completely sealed finish. Ask for the Yeti gaiter.

After you are sure your feet are comfortable and sturdily encased, the rest is comparatively easy. Some sort of waterproof, lightweight cover-up is clearly essential in this country. Gore-Tex is the name by which all walkers swear—a fabric constructed to allow moisture in its evaporated form to escape (so preventing a build-up of condensation inside the garment) but not allowing water in its liquid form (that is rain) to enter. It is widely used in the best anoraks and waterproofs.

Kagoule is one of the famous-name outer garments made from Gore-Tex and although not cheap (prices can vary from about £65 to £105 for an anorak-like top while over-trousers are about £45) they are light, fold up easily, are completely windproof, and keep you absolutely free from condensation inside.

Cheaper waterproofs can be found, usually made from polyurethene-coated nylon—these are sturdy, and last a long time but are liable to cause sweating. Prices, though, are about half the price of Gore-Tex—about £28 for jackets, £16 for trousers.

It is worth investing in a good rucksack because anybody out for a long day's hike needs a variety of emergency rations and equipment. Karrimor Jaguar and Berghaus seem to be the top names for which to look out. When choosing a rucksack, it is worth looking for a bottom zip (for easy access), outside pockets, and an adjustable frame so that it can be made comfortable on any back.

Gloves are important—cold hands are miserable. Mitts, as any skier soon learns, are infinitely more effective than gloves because the fingers seem to help keep each other warm. One chilly walker found the best solution was thermal-fingered inner gloves over which she wore Helly Hanson mitts.

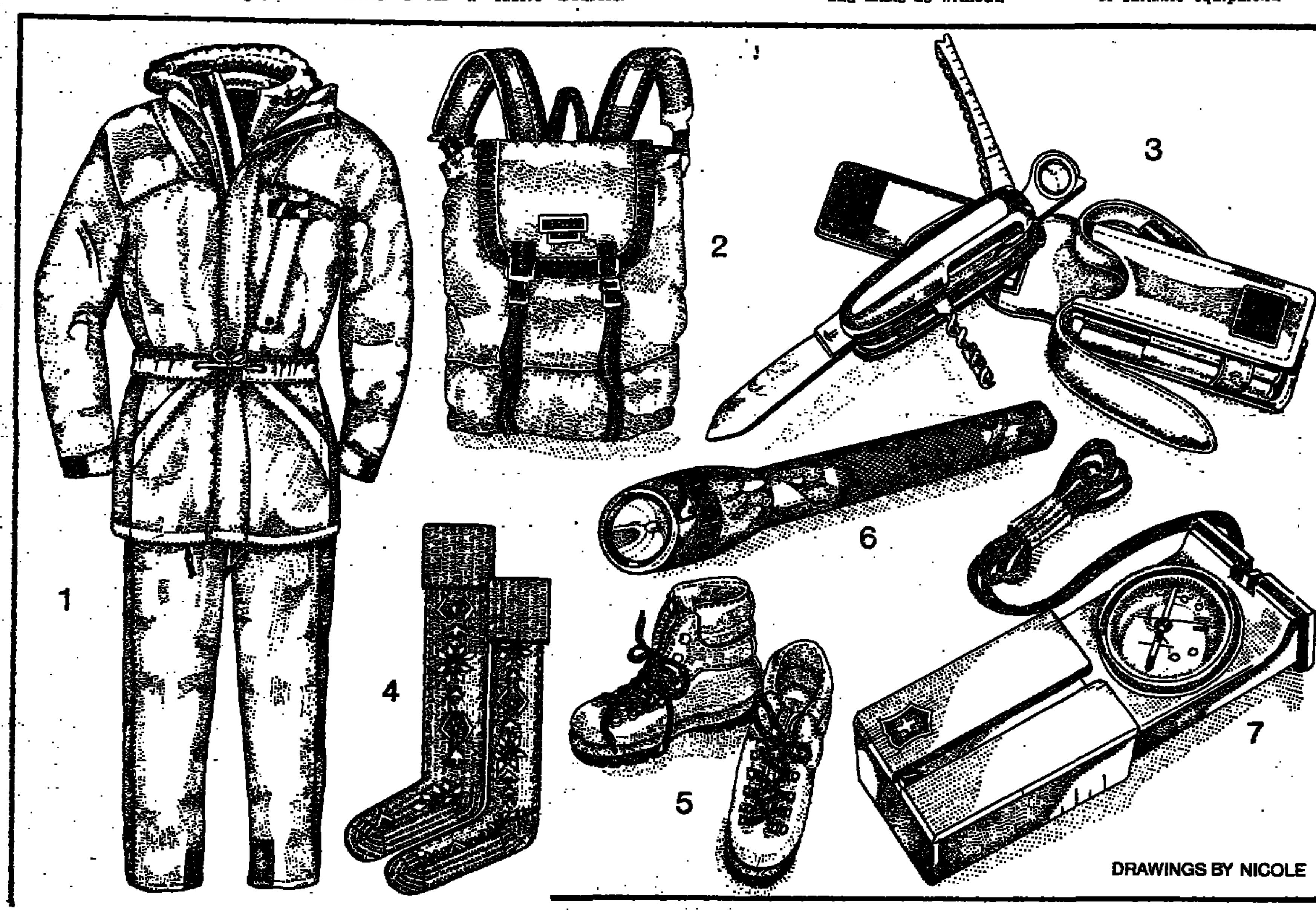
For cold weather walkers, the principle of several layers is the chief one to remember—thermal underwear (particularly Damart, which comes in varying thicknesses) is a godsend. There are proper walking socks and these are beautiful to look at and to wear (G. T. Hawkins imports some superb pairs from Norway). Most people find thermal or pure wool socks warm enough, but there are also Gore-Tex socks available for extra protection.

Another useful aid is a map case—you can easily ruin several maps without one. As they cost only about £2.95 and hang quite usefully round the neck, it seems a shame to stint and make do without.

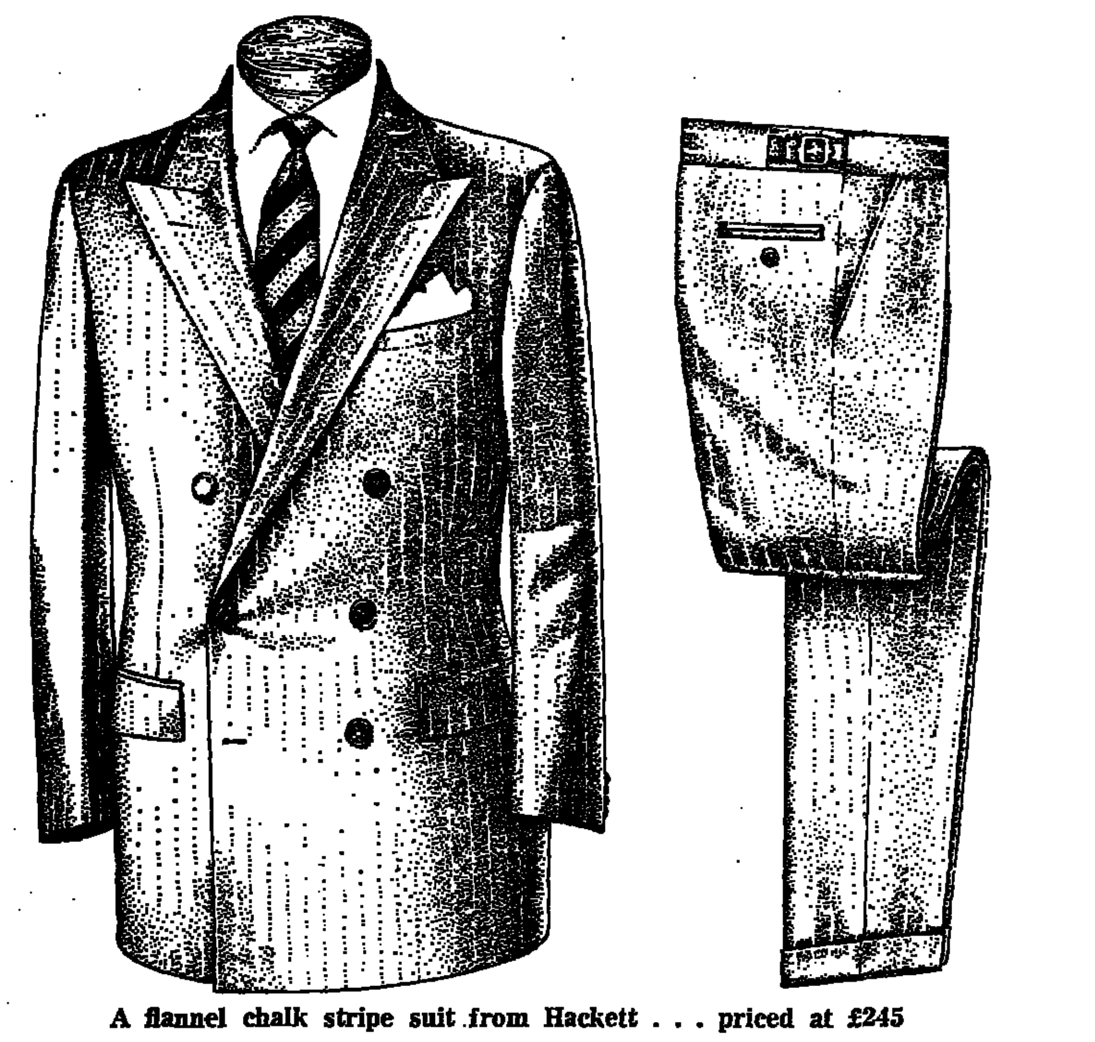
Never, ever, set out without a map and a compass. The best maps come from E. Stanford, 12 Long Acre, London WC2 (01-836 1321). It sells Ordnance Survey maps covering the whole country and also does large-scale maps which cover 2.5 miles to the inch and list landmarks of historic interest, rights of way, public footpaths, old canal sights, tracks, bridle paths and the like. Maps vary between £2.50 and £2.75 and E. Stanford runs a very efficient mail order service.

If you are on a long walk and plan to sleep out and camp, you will need not only a suitable tent (a subject covered thoroughly on this page two weeks ago) but also a good sleeping bag. Choose a down-filled one which should compress into a compact, easily portable round ball (serious walkers tell me you should abandon romantic notions of double sleeping bags—they turn out to be very unromantic).

Best magazines covering subjects dear to walker's hearts are The Great Outdoors, Footloose and High, while shops which should be able to give serious advice are the Youth Hostel Adventure Shop, 14 Southampton Street, London WC2 (which has a good mail order service on 01-240 3158): Millets of 76 Broadway, Ealing, London SW13; or Blacks Camping and Leisure, 53 Rathbone Place, London W1. Many good stores, like Harrods, and good sporting shops also have a good selection of suitable equipment.



WHAT the dedicated walker needs. 1—Berghaus jacket (£94.90) and trousers (£67.90) in Gore-Tex, available from Alpine Sports, 215 Kensington High Street, London W8 (01-938 1911) or 456/8 The Strand, WC2 (01-839 5161). 2—Waterproof Karrimor rucksack at £12 (p & p £2.25), in several colours. 3—SOS penknife with 40 helpful items £59.95 (plus p & p £1.20). 4—Warm woollen socks (£7 plus £1.45 p & p) in several colours and sizes from 3 upwards. 5—Scarpa boots for her: sizes 3/7 only with leather uppers and rubber soles. £78 (plus £3.50 p & p). Boots for him are also available. 6—The torch comes in six colours and costs £26.50 (£1.45 p & p). 7—Waterproof compass in red or black at £23.50 (£1.20 p & p). Items 2/7 from Harrods, Knightsbridge, London.



A flannel chalk stripe suit from Hackett . . . priced at £245

Cut to expand on

THERE CAN scarcely be a reader of How To Spend It who doesn't know about Hackett. A cult shop in the yuppie regions of west London's Parsons Green (there are now four branches, all within a stone's throw of each other), its natural clientele seems to be city businessmen, military gentlemen, and fogeys young and old.

Hackett started life by specialising in high-quality second-hand clothing—the sort of tweeds and fine wollens, worsteds and flannels, dinner jackets, morning suits, pure cotton shirts and weathered leather accessories that go with the city gentleman and country house image.

However, Ashley Lloyd Jennings and Jeremy Hackett (the two brains behind it) soon found that, while the concept was admirable, there was a problem about finding enough second-hand merchandise to satisfy the demand. They did what any sensible people would do in the circumstances and branched out into providing new clothing with all the old-fashioned qualities they admired.

They are nothing if not particular and they have always liked fine old woollen cloths, hand-made tailoring touches, like proper silk linings and nothing too new, too brash, or too alarming.

As many appear to share their taste, it seemed a natural move to expand into providing a reliable source of suits, all bearing witness to the Hackett devotion to nostalgia and quality.

Few customers probably know that, already, half of Hackett's business is in suits—all tried on and sold in a tiny upstairs room. From today, men's tailoring will be at 65a New Kings Road, London SW6. There, anybody in search of traditional tailoring qualities at ready-to-wear prices can find a whole host of eminently gentlemanly suits.

All are made to Hackett's own specification by a long-established tailoring business, the name of which is guarded with all the determination of an Alsatian defending his master's safe, but which "does" for many a Savile Row big name.

The operation is mainly read-to-wear but there is a resident tailor who comes and measures and will do alterations—simple ones like trouser-lengths without charge, more complicated ones at a price.

Although ready-to-wear, the detailing and the finish is of hand-made tailoring quality—all the cuffs have proper button-through button-holes. And instead of the viscose rayon commonly used in linings these days, Hackett suits have a Bengal blue-stripped pure satin cloth.

The cut is what Ashley Lloyd-Jennings describes as a "military or old-fashioned traditional tailor-made cut." There are city suits and shooting suits, suits for country house weekends, and plus fours for stepping out across the moor.

In every chest size there is a choice of five different fittings; but if you still cannot be fitted, or if you want further variations on the basic styles, there is another option—made-to-order.

This means that you can ask for one vent (or perhaps none) instead of two—in other words, made-to-order allows the customer to ask for adaptations on the basic Hackett styles.

Prices are all around the £245 mark, but for made-to-order there is a 10 per cent surcharge.

Besides the opening of the suit shop the other big news (which ought to please out-of-town readers) is that a mail-order brochure will be coming out very soon taking in all of the shop's activities.

Also in the pipeline are a proper, traditional barber shop and Hackett's own range of lotions, wallets and other leather goods. Meanwhile, anyone who lives in Gloucestershire might like to know that, come September, there will be a Hackett installed in Cheltenham.

L. v. d. P.

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Guided to a good source

Food for Thought

FOOD WRITERS tend to go on a bit about the importance of good ingredients. "Ah, the joy of the waxy potato," we cry, "Get yourself the well-hung piece of beef," we advise; "Pop out and lay your hands on a dozen freshly laid eggs."

And fired with enthusiasm, dear reader, I expect you to dash off to your butcher, fishmonger, grocer, supermarket in search of the desired item, only to be met with shaking heads and lugubrious expressions: "Very sorry, madam/sir, there's no demand for that kind of thing here" or "Ooh, no, I haven't seen one of them for years."

Cook books are just as bad. Many recipes read like a litany of forbidden fruits—forbidden only because they are unobtainable: "Take 2lbs of fresh cepes," "pound the langoustines in a mortar," "add three tablespoons of balsamic vinegar."

The chances of tracking down langoustines in Ludlow or balsamic vinegar in Bury St Edmunds doesn't appear to have crossed anybody's mind. (Now some irate delicatessen owner will write in to tell me that balsamic vinegar was all the rage in Bury St Edmunds while the rest of us were making do with sherry vinegar; but you take my point.)

It's all very well extolling the virtues of fine foods, but what about something on where to find them? There is no point in trying to do what we would do in France or Italy—go off to the market and sniff and feel and buy.

In one of my earliest columns, I described a typical Saturday morning's shopping for the assiduous gastronome in London. I compared the process with a treasure hunt. You can do this in London. You can have a fair degree of certainty that there is treasure somewhere in the metropolis. But can you be so sure in Thirsk or Truro?

Your best way of finding out is through the local grapevine. Failing that, there are various sources of information to which you can turn.

It is only in the truest spirit of altruism that I point you to the words of a competitor, the admirable Jeremy Round in the *Independent*, who produces a regular summary of seasonal goodies together with selected sources of supply. *A la Carte*, too, publishes a list, not always accurate, of specialist shops.

Then there are the publications put out by special interest groups such as the National Farmers' Union with its "British Country Foods Directory" and the Milk Marketing Board's "On-Farm Cheese Makers of England and Wales." There is an obvious selectivity about both guides which is understandable, given the vested interests of the parent organisation. What is less comprehensible is why they should choose to make them so dull and shoddy to read. If you want to promote English food, why not make it attractive and accessible?

The Which? guide, The Good Food Directory (Consumer Association and Hodder and Stoughton, £7.95) edited by Drew Smith and David Mabey, is a great deal nearer the mark. "The Larder of Britain is in these pages" it says in the introduction. In fact, it is not quite that and, at the same time, rather more. Not quite, because although it lists over 2,000 shops, suppliers and producers, its entries are rather variable in reliability and comprehensiveness; rather more, because it does point you to places where you can find the exotic foreign delicacies, too.

However, divided by county and by country or region, and by 17 product types—bread and cakes; chocolate; coffee and tea and so on—it provides a good and useful descriptive reference. Where can you get fish in Nailsworth, Gloucs.? William's Kitchen, of course. Want to try a Welsh white wine? Pop along to Wern Deg at Llanarth, Dyfed.

You crave Colombian coffee in Edinburgh? R. Drysdale & Co will be happy to sell you a pound or so of the fragrant stuff.

"British Food Finds 1987" (Rich & Green—£14.95) gives an even more up-to-date and comprehensive picture of what is produced in Britain and where to get hold of it. It lists over 3,500 products from more than 1,000 producers, according to the PR hand-out, and it has been endorsed by a whole galaxy of the great and the good of the food world, among them Jane Grigson, Justin de Blanc and Richard Shepherd.

It has been put together expressly for the professional catering trade, but don't be put off. It is extremely clearly laid out, easy to follow and full of information, even if some of the information isn't absolutely reliable: food producers have an unfortunate habit of going out of business or of changing their products between one week and the next.

But if you want some English, or rather Scottish, truffles (tuber aestirum) get in touch with Diggers Organic Food in Dunbar. Did you know Brown & Forrest of Langport, Somerset, supplies 400 kg of elvers from the Rivers Severn and Paret between March and May? If you have scoured Dorset for real Blue Vinney, scour no longer. Just pop along to Shorts Gren Farm, Motcombe. And so on, and so on, all 3,500 products grouped under 10 categories, with details about capacity and seasonality where necessary.

"British Food Finds 1987" is not exactly what the happy home cook is looking for. It is too geared to the trade for that, but it will more than serve until the promised consumer version appears next year.

And it contains an admirable supplement on apples, the varieties, their eating or cooking qualities and their seasons. It's nice to know that "James Grieve" is "yellow with pink flush stippling on the cheek; flesh crisp but melting; very juicy and sharp. Acidity can be too much early in season and is often picked green for cooking, but with keeping the acidity mellows to savoury quality."

A guide to potatoes next?

Peter Fort

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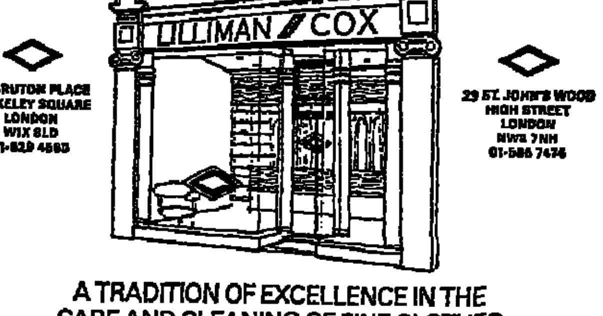

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Lord Blake on the conflict between two wartime Prime Ministers

Dark days

MENZIES AND CHURCHILL AT WAR
by David Day. Angus & Robertson. £12.50. 271 pages

THIS IS an interesting and surprising book. It throws a new light on a dark period of the Second World War, January to June 1941. It has been clear for some time that the rosy picture of national unity and uncompromising will for victory, painted by Churchill in his memoirs and supported overtly or silently by many others, concealed a host of doubts and misgivings in high places. Nor were these unreasonable. In late 1940 and early 1941 it was hard to envisage the defeat of a Germany which controlled most of Europe directly or indirectly and whose soldiers, armaments and industry were far superior to Britain's. The country had survived the Battle of Britain and the immediate threat of invasion. She might preserve a stalemate, but how to win? Victory came because Germany invaded Russia and Japan attacked America. Neither of these actions was predictable at the beginning of 1941.

Robert Menzies was only apparently the embodiment of Australia's will to win; he differed from Churchill who really was Britain's embodiment of that will. Menzies was a Chamberlainite and an appeaser—a reputable position but not how he wished to appear to posterity. The prompt entry of Australia into the war, ahead of the other Dominions, masks the fact that her Prime Minister took the gloomiest view in private, advocating a compromise peace, along with the Canadian Prime Minister, Mackenzie King.

Eleven weeks before Churchill became Prime Minister Menzies wrote describing him as "a menace" who "stirs up hatreds in a world so full of them and he is lacking in judgment." In Britain too there were advocates at various times of a negotiated settlement—Lloyd George (advised by Liddell Hart), Lord Hankey, Lord Halifax and Lord Beaverbrook. Some of them including Menzies were also critics of Churchill personally, quite apart from the peace issue. Over the Dakar expedition in September 1940 Menzies launched an attack which greatly discomposed Churchill unused to have his strategy criticised by anyone, let alone a brash, and to him young, Australian.

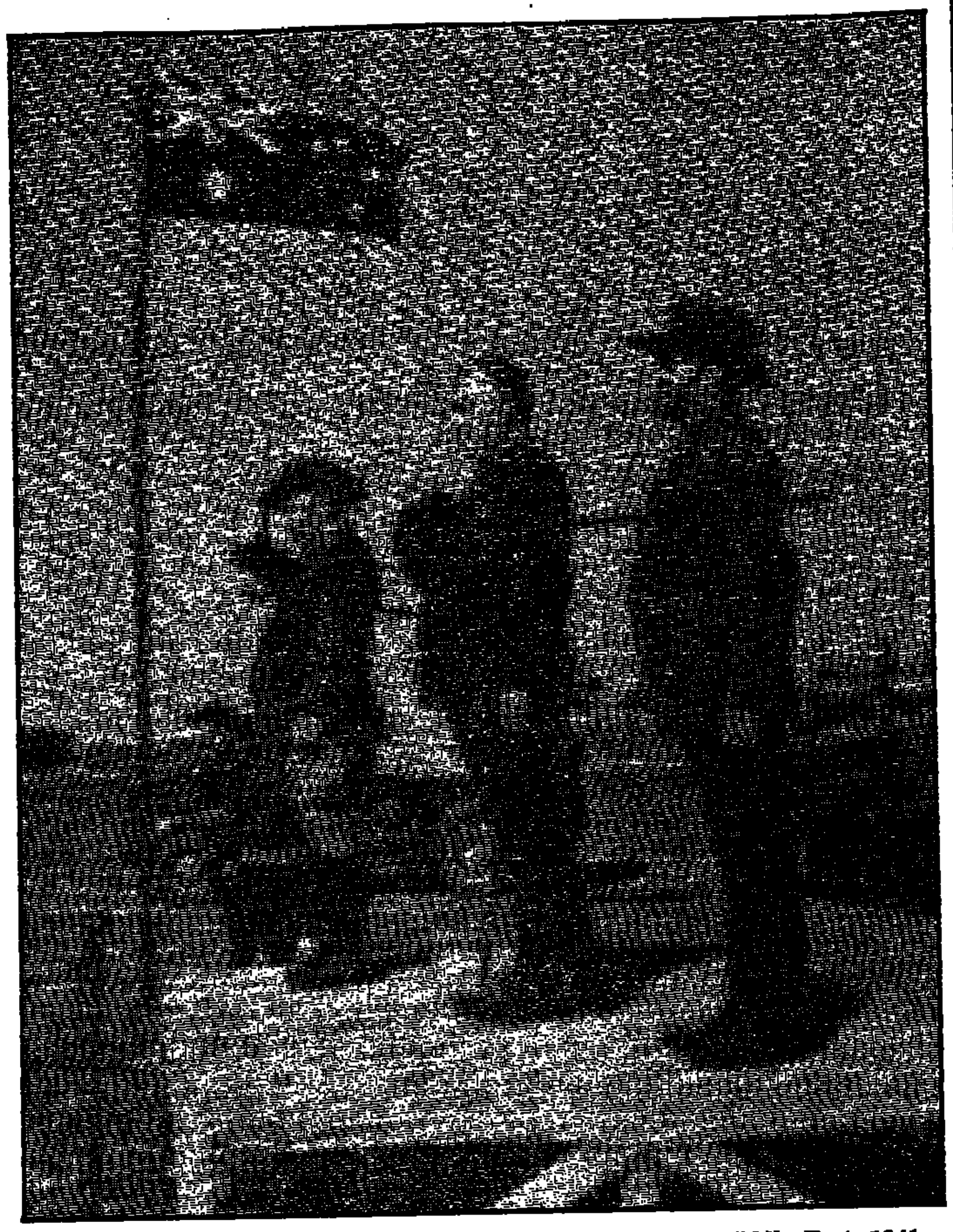
The bulk of the book concerns Menzies' four months absence from Australia from January 1941, first in the Middle East, then in London where he spent 10 weeks, and finally in America. In Britain he received enthusiastic support at public and private meetings second only to Churchill. He concealed his personal doubts and proclaimed himself in terms of rousing and uncompromising patriotism. Precariously based in Australia, where he had a majority of only one, he dreamed of becoming a member of the British War Cabinet and perhaps ousting Churchill in favour of himself.

Churchill was aware of the threat and saw to it that Menzies did not return to London after the Australian Cabinet had insisted on his recall. It is difficult to assess how serious the threat really was, but this is perhaps immaterial if both men believed in it. Menzies certainly had great popular appeal in the British press, and there was much discontent at the catalogue of disasters in the spring and early summer of that year—defeat in the Western Desert, the investment of Tobruk, the fall of Jugoslavia and Greece, the evacuation of Crete. "Cigar butt strategy" did not seem to be working well, and there was much pressure for an Imperial minister to be part of a new small war cabinet with real power to control war policy—a change which Churchill was determined to prevent at all costs, especially if Menzies was to be the minister.

His role as a possible supplanter of Churchill was complicated by the question of the Australian military involvement in the Middle East and the fear of what might happen if war broke out with Japan. The Empire was at stake. Menzies, an arch Imperialist, became ever more worried about Britain's determination to concentrate on American (and thus basically anti-Imperial) support in order to survive. But he played along with Churchill's strategy, did little to modify the Australian involvement in the disasters of Libya and Greece, and virtually nothing to fulfil the principal purposes of his mission—to buttress Australia's defences against Japan, and obtain capital investment to convert Australia into an industrialised country.

It is hard to believe that he was playing other than an ambivalent part, with an eye half on his tottering position in Australia, half on the dream of succeeding Churchill, and so escaping from the dreary, cantankerous political manoeuvres at home. Dr Day has researched with meticulous care into this curious and hitherto concealed relationship between Churchill and Menzies. The book is an important contribution to the historiography of the Second World War.

Menzies's bid for power came to nothing. The war situation was not as bad as he believed in his last weeks in London. Churchill knew through "Ultra" that Rommel's supply situation was very bad, and — far more important — that Hitler meant to attack Russia. He did not tell Menzies. The war with Russia transformed the whole situation. Churchill's position was secured. Menzies still sought a return to London, but at the end of August his Australian power-base collapsed. He was later to make a notable comeback but he had no future in Britain. Understandably, it has not suited either him or Churchill to reveal their real relationship and there is no hint of it in their writings. Dr Day is much to be commended for lifting the veil over a hitherto obscure corner of war history.



Robert Menzies (centre) reviews Australian troops in the Middle East, 1941

Anthony Curtis considers a gentile approach to the Jews

Jeremiah to Freud

A HISTORY OF THE JEWS
by Paul Johnson. Weidenfeld & Nicolson. £16.95. 643 pages

READERS OF contemporary novels are all too familiar with accounts of what it feels like to be a Jew nowadays. Only a few weeks ago on this page we were discussing Philip Roth's The Counterlife where we saw through Jewish eyes the various "roles," from bellicose Zionism at one extreme to quiet assimilation at the other, adopted by a group of characters who spent much of their spare time pondering the nature of their Jewishness. Paul Johnson's A History of the Jews enables us to view through a pair of gentile eyes the long historical process, stretching back more than three thousand years to the earliest known civilisations, which has caused this peculiar set of choices to come about.

Johnson, journalist and historian, is refreshingly free from academic pedantry. He relishes the broad canvas, the long continuance which contains distinct moments of historical change; previous books have included a History of the English People and A History of the Modern World: From 1917 to the 1980s and A History of Christianity. It was while he was at work on the latter that he developed the "sheer curiosity," as he puts it, to examine the history of the people who had given birth to his own faith. He begins in the days of Abraham before the word "Jew" had been invented, and where the evidence he is examining is all archaeological, and he ends with an account of the size of the various Jewish populations in the world to day, quoting the latest demographic statistics. Evidence from ancient ruins is succeeded by that of the Bible and from the Dead Sea Scrolls and this in turn by the documents of secular history; nor is Johnson unwilling to turn from time to time to literature for his sources; the figure of the Jew in Victorian Novels, for instance, being one of them.

Underlying the whole process he discerns an astonishing consistency of outlook among this diverse people for whom the word survival might have been specially invented. A pattern of Exile and Return first established in the Old Testament, and recently re-established with the appearance of the State of Israel, is shown to be a part of this consistency; and so unfortunately is the ceaseless virulence of anti-semitism. The term was not coined until the 19th century but the thing existed long before that and reached its diabolical climax in Nazi Germany and Stalin's Russia. It has now been transmitted, with tragic consequences for us all, to the Arab world. Johnson's section on the Nazi Holocaust manages to compress a vast mass of material into a single chilling chapter and to distinguish the various phases of that attempt at genocide and the many social groups involved in its pursuit.

After the emergence of Christianity and the subsequent polarity between Christian and Jew with one faith becoming the official religion of the Empire, and the other existing on sufferance, Johnson sees the tradition of Judaism and the integrity of the Jews as a separate people preserved by Cathedocracy. This is a word he has invented apparently, meaning government by sages or learned men. It does not sound quite right for the Jews to me but I see what he implies; respect for the rule of law as well as interpretation of the Law were core-features of Jewish doctrine.

Men of learning and vision who have exercised great authority over their groups have emerged among Jews in all periods. Johnson is particularly skilful in his vignettes of all these outstanding individuals. The patriarchs and prophets come to life again as he deals in a few deft strokes with their attitudes and outlooks. As a gentile Johnson has a striking grasp of the tradition of rabbinical exegises, and he gives us a fascinating portrait of a rabbi such as Maimonides who was central to it.

Johnson is even prepared to guide us through the more arcane regions of the kabbalah and hasidism and to point to their place in the development of the Jewish tradition. He sees the Reformation as representing a huge benefit to the Jews in spite of Luther's ferocious attacks on them. As we move nearer modern times the pen portraits continue and earlier patterns and tendencies emerge in a fresh context. The tradition of talmudic interpretation soon reasserts itself, as it were, in a new form when Jews became free to enter other professions, law, history, psycho-analysis and, Johnson might have added—literary criticism. He shows us how Marx's anti-semitism, that of a Jew, influenced Communist theory. Johnson chronicles the waves of immigration at the end of the 19th century leading to the part played by Jews in the development of the US. Both Jews and gentiles should find enlightenment from this lively history.

There was a little girl...

E. SYLVIA PANKHURST: PORTRAIT OF A RADICAL
by Patricia Romero. Yale University Press, £17.50 ($29.95). 334 pages

WHO IS Sylvia? What is she? "Sylvia, you are the queerest idiot genius of the age," George Bernard Shaw told her in a letter; adding that she was "the most ungovernable, self-interested, deadly wilful little rapscallion condottiera that ever imposed itself on the infrared end of the revolutionary spectrum as a leader."

Which is to say—as Patricia Romero confirms in an admirably researched book written less admirably than respectably — Sylvia Pankhurst was a prime nuisance. All the Pankhursts were, of course, but Sylvia was the most maddening of the lot: the noisiest, the most erratic, the most dogmatic. Mrs Romero's judgement, carefully weighed, is that the dowdy daughter of the house was its most effective arm.

That remains in doubt. The thesis which might sustain it is not quite made here. What is made is a splendid story of an embarrassing, immature, energetic woman who, however hysterical on a soapbox and undisciplined in print, was never for a moment confused about what was right and what was wrong. (She was, actually, quite often right.)

Her mother, Emmeline, who ended her days as a true-blue Conservative, and her sister, Christabel, who switched from Votes for Women to beating a Bible for the Second Coming of Christ (in California) were both made Dames. It was Sylvia's particular distinction to have a special file, kept on her by the Foreign Office, labelled "How to Answer Letters From Miss Sylvia Pankhurst."

Of the two accolades, the latter speaks more effectively of style. Like her contemporary, Charlotte Despard, whose pattern of radical extremism her own progression of "causes" so much resembles (a critical difference was that Mrs Despard was not only an extremist, but also extremely rich), Sylvia Pankhurst was incapable of compromise: she would more willingly abandon a crusade than jeopardise its purity of righteousness. For all her apparent intellectual inconsistencies— as she reeled from fixed positions as aggressive suffragette, to militant pacifist, to radical "leftist," to communist activist, to her final 25 years' devotion to Haile Selassie's Ethiopia—her life had an internal consistency clearly charted here by her biographer.

Its pivot was her abiding need to hero-worship. Pankhurst *père*, Richard, who died in 1898 when Sylvia was an impressionable 16-year-old, was no less radical a champion of selected underdogs than his womenfolk. (He probably started it all).

Sylvia's father-figures included Keir Hardie, a full generation older, with whom she had a long, sentimental but, apparently, fairly satisfying affair. She never married; she chose, as the father of a son born when she was 45, a nicely domesticated Italian anarchist called Sylvio Corio, and lived with him (in Woodford Green, in a house teeming with pamphlets, a garden teeming with weeds) for 30 years.

The affection thus enjoyed must have supplied at least a partial antidote to poison in the veins of a sibling relationship made more bitter by a mother careless of maternal commitments when the unjust world required her presence on a platform.

Sylvia hated Christabel. Christabel asked for it. Beautiful where Sylvia was plain, starry where Sylvia was schoolgirlish, elegant where Sylvia was untidy (sartorial non-compromise is not the least exasperating characteristic of female activists in all colours of the political spectrum), it is no wonder that the younger sister went on hunger strike for longer than anybody else when imprisoned for the feminist cause.

Sylvia, poor girl, always had to try harder. When she was good, she was very, very good, and when she was bad she was horrid.

Gay Firth

Fiction

Movie man's tales

STORIES
by Satyajit Ray. Secker and Warburg, £10.95. 190 pages

THE LEVELS
by Peter Benson. Constable, £9.95. 172 pages

GOD'S SNAKE
by Irini Spanidou. Secker and Warburg, £10.95. 252 pages

TO THE CITY
by Gillian Tindall. Hutchinson, £9.95. 181 pages

TITCH
by Chaim Bermant. Weidenfeld and Nicolson, £9.95. 191 pages

THE STARS AT NOON
by Denis Johnson. Faber. £9.95. 181 pages

THOUGH NOT particularly well known outside his native India, Satyajit Ray is one of his country's foremost film makers, a talented draughtsman, and a writer of short stories to boot. He has been a best-seller in Bengali for 20 years. Now, for the first time, he has brought out a volume of 11 stories in English, a mixed collection with a strong element of fantasy, owing more than a little to Verne, Wells and Conan Doyle.

The author acknowledges his debt to these three, but he might also have mentioned Kipling, for there is a distinct air of the Raj about some of his tales, whether a pair of Englishmen fighting a duel 100 years ago, or a group of modern travellers trekking into the unknown to investigate a dead explorer's report of unicorns and flying lamas on the borders of Tibet. Holy men in caves are much in evidence, also dragons and huge prehistoric birds of a carnivorous disposition. Late 19th century science fiction, it would appear, is alive and flourishing in Bengal.

Not all the stories require a willing suspension of disbelief. One of the best charts the career of an old man playing a bit part in a film, struggling with the single line "Oh!" as the star bumps into him. Satyajit Ray's style is a little raw in places, yet always simple and direct, straight to the point. He comes from a story-telling tradition old-fashioned by Western standards, fanciful perhaps, but highly imaginative and with a distinct charm of its own.

Peter Benson's first novel The Levels too has a distinct charm of its own. The author is a West Country basketmaker-cum-gravedigger who banged on his neighbour John Fowles's door and said he had written this book about a basketmaker and did Fowles think it was any good? Fowles did, and the result is a rural idyll of a sort, the first person narrative of a countryman growing up in a world of pike and elvers and Manx shearwaters crying for a lost sailor's soul, a world in which most of the local population has never been further afield than Bristol.

Into this world comes Muriel, the bright girl on her way to college, who takes the narrator's virginity and sleeps with him as cheerfully as she sleeps with all her other loves. All is sweetness and light for a while, until college intervenes and Muriel departs for pastures new, leaving the narrator distraught at the railway station:

> Clever enough to have been at college, he just never had the chance. Fated to be a basketmaker, laughed at for his skills by people who thought it was something he had been taught in hospital.

This sounds mawkish, but is not. The author has written a quiet, thoughtful, plangent first novel, one somebody with twice his education could be proud of. It is a slight tale, sleepy almost, but gentle and restful, nicely tailored in fact to the Somerset Levels in which it is set.

Irini Spanidou's first novel God's Snake could perhaps be described as a rural idyll too, though of a very different kind. It comes garlanded with praise from across the Atlantic, and is about a young girl growing up in Greece immediately after the war.

Anna's father is an army officer regularly on the move, her mother a remote figure who married the wrong man and has never ceased to regret it. Anna finds consolation in God's snake a slug given by God to people He likes—and in a frozen crow, a newborn deer, a wolf cub, an Alsatian bitch. The author seems to be attempting some sort of dreamlike fable, if the shapeless narrative and obscure background are anything to go by. She writes well enough for those who like that kind of thing, but won't appeal to all tastes.

Nor perhaps will Gillian Tindall, whose new novel To the City takes shape mostly inside the head of London publisher Joe Beech, a Jewish refugee spending a few days skiing with his wife and friends in Austria before returning on a business trip to the Vienna of his childhood. He is filled with foreboding, a feeling that he must be made to pay for not having gone into the abyss with the rest of his family. Freud means a lot to him, and poetry, the philosophy of life. He is skilfully portrayed by Gillian Tindall, but is ultimately rather too gloomy, too maundering, to have a universal appeal.

Titch, by Chaim Bermant, is the story of a clever Jewish boy, a Polish immigrant brought up in Manchester, who wins his way to grammar school and university, only to find himself swallowed up by World War Two and cross-posted to the Polish army for reasons he can't even begin to comprehend. The vein is humorous—the chaplain to the Polish forces turns out to be Captain Gilchrist, formerly Rabbi Holtzhacker, who absconded from Titch's home town in something of a hurry—but the pace is leisured to the point of discursiveness. It reads a bit like a dull man's autobiography, perfectly acceptable, perfectly credible, yet unlikely to have one on the edge of one's seat.

Denis Johnson's The Stars at Noon is a very odd novel indeed, the story of an American prostitute-cum-journalist trying to raise the money to get out of Nicaragua in the only way she knows. She falls in with a most unconvincing Englishman who is some sort of spy—industrial or otherwise is deliberately not clear, just as it is not clear whether the prostitute is a journalist or a peace worker—and sets off with him towards the Costa Rican border. The author says something about Nicaragua along the way, but his basic premise is too unlikely for his tale to carry much weight. He seems to have been in two minds as to what kind of story he was telling, a mistake easily made, extraordinarily difficult to rectify.

Nicholas Best

Public people

PROFILES AND A SELF-PORTRAIT
by Susan Crosland. Weidenfeld and Nicolson, £10.95. 152 pages

SUSAN CROSLAND is best-known as a writer for what she describes as her "off-beat biography" of her late husband, Tony. It is a very good book: more upbeat than off. She is also a very good journalist.

She has a distinctive style: short sentences, a trifle jerky, the mind always at work. Then suddenly the revealing quotation as her subject has something to say. She never shows off that she has done her homework but would not, I suspect, like anyone to think it had not been done. She can be quite sharp but is never malicious.

Of Lord Carrington, after he resigned as Foreign Secretary, she writes: "Lord Weinstock made him chairman of GEC—a highly paid role that Carrington found increasingly tiresome: he was not the boss."

Of Leonard Bernstein: "He is thin-skinned, highly intelligent, a superb teacher. Yet his self-absorption, his egotism lead him to talk so much that he sometimes seems unaware whether his audience is perceptive or simply sycophantic. (The latter are conspicuous among his court.)"

She is good at eliciting information. Michael Heseltine told her that he originally intended to go to Bristol University to do B Comm., but was turned down. So he tried Reading and was turned down again. Then he applied to Oxford and Cambridge and was accepted by both.

Shimon Peres, when he was Israeli Prime Minister, gave her a very perceptive comment on Yasser Arafat and the PLO: "The problem with Arafat is that he's escaped decision-making all his life. He has developed a diplomacy without a policy."

The best interviews in the books are with Nancy Reagan and King Juan Carlos of Spain. Mrs Reagan, Crosland notes, "couldn't live without the telephone." Maureen Reagan, the President's daughter by his first marriage, tells her: "What people can't understand—or don't want to—is that when you get Ronald Reagan, you get Nancy Reagan. You get Nancy Reagan, you get Ronald Reagan."

King Juan Carlos went to an upper-class boarding school in San Sebastian "so insulated that there were only 12 boys in all." Could his heir marry a commoner? Crosland asks. "He will marry whom he wants," the King replies. And from time to time, we learn, the King disguises himself in a crash helmet and zooms round the streets of Madrid on his motorbike.

Malcolm Rutherford

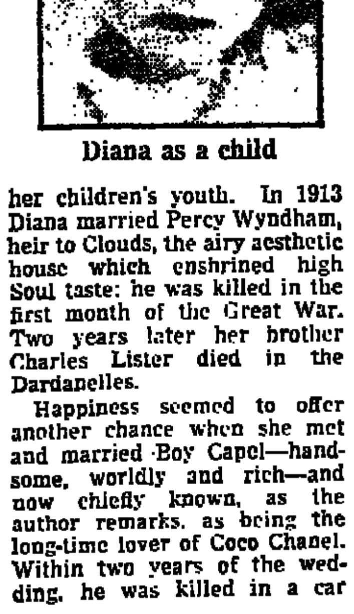
Green fingered countess

MEMORIES OF MY MOTHER
by Julian Fane. Hamish Hamilton, £12.50. 148 pages

DIANA, Countess of Westmorland, who died three years ago at the age of 90, was famous to gardeners everywhere for having created at her home at Lyegrove a romantic garden, "of partially ruined grandeur beautified by flowers," lovely as a lost domain. To students of Edwardian biography she was a silent figure, born and married into the very heart of the Souls, that spirited, demonstrative and always voluble company of friends, but she was always reluctant to speak of her past.

This memoir written by her younger son, Julian Fane, is as delightful as the heroine it describes. Beautifully written in spare cool prose, sympathetic and witty, it is the work of a literary heir of Maurice Baring.

Mr Fane devotes a third of his book to his mother's youth, which is the saddest story. The sole way for her to survive the present was to consider the past a volume closed, and place it on a library shelf far from reach. She told her son little: his sources are such letters and diaries as she left, and family reminiscences. She was born in 1893, the youngest daughter of Lord Ribblesdale, who is immortalised through his portrait by Sargent. Lady Ribblesdale, called "Charty," was the second daughter of the marvellous Sir Charles Tennant; she had all the family intelligence and zest, tempered by gentleness; her lingering death from tuberculosis was the sorrow of her children's youth. In 1913 Diana married Percy Wyndham, heir to Clouds, the airy aesthetic house which enshrined high Soul taste: he was killed in the first month of the Great War. Two years later her brother Charles Lister died in the Dardanelles.



Diana as a child

Happiness seemed to offer another chance when she met and married Boy Capel—handsome, worldly and rich—and now chiefly known, as the author remarks, as being the long-time lover of Coco Chanel. Within two years of the wedding, he was killed in a car crash as he drove to Cannes to join his wife for the Christmas of 1919.

Mrs Capel returned to England, and rented Lyegrove in Gloucestershire, a very pretty old house, large, but too welcoming to be stately. Here she was to live for the rest of her life. It must have been at the time she took Lyegrove that Sargent made his charcoal portrait of her, showing a lovely fragile face, with patient eyes, and, as the artist told her, "very jolly hair."

The central theme of the book is how the author's mother made a new life for herself, indeed positively blossomed, in her last 35 years. She had been widowed again in 1948 with the death of her third husband, Lord Westmorland. Discarding the past, she took "an exclusive interest in the here and now." From April to October she almost lived in her garden, and escorted admiring visitors. Too much grief had made her shy: now she welcomed new friends and jokey conversation; "she was in favour of laughter, having had enough of tears." Lyegrove, as old houses do, deteriorated; the roof was unreliable, power-points precarious, and the central heating system gave up the ghost. Daunted by nothing, Lady Westmorland greeted her many guests to scrumptious tea parties in an icy temperature experienced only in English country houses. For the first time in her life, she seemed to enjoy "the total sum of happiness" which had been wished to her by Billy Grenfell in 1913.

Jane Abdy

CRIME

CROW'S PARLIAMENT
by Jack Curtis. Bantam Press, £10.95. 349 pages

CROW'S PARLIAMENT is a real cracker of a first novel. Mr Curtis has created a colourful hero, combined him with an intricate plot and added that extra something which gives the recipe real zest.

His hero, Simon Guernsey, is a hunter. He tracks down kidnappers, kills them without compunction and frees their victims. When he is not engaged in this hazardous freelance trade he lives in the English countryside, where his lurcher dog catches rabbits.

The kidnapping of a young American does not follow the usual pattern. The kidnappers are in no hurry to demand a ransom. Then the victim is moved to London from the US and Guersney becomes the hunted instead of the hunter.

One thing can give him an edge over the kidnappers—the psychic messages he receives from the kidnap victim. The whole concoction is liberally laced with violence and sprinkled with sex, though the recipe could well have worked without them.

LIMITED OPTIONS
by Palma Harcourt. Collins, £9.95. 224 pages

PALMA Harcourt takes us into the world of international terrorism—a world she inhabits with believable characters.

The reader can at times sympathise with the woman terrorist who organises the kidnapping of the son of a British consular official in Geneva. And there is no difficulty in identifying with the man who is told he must co-operate with the terrorists or his son will be killed. Even the minor characters are masterpieces in miniature. And there is a full measure of mystery and violence.

This is probably the best book yet by Palma Harcourt, whose intelligent spy thrillers have given many people pleasure.

Brian Ager

هكذا من الأصل

On Wednesday Aulis Sallinen's latest opera arrives in London. **Max Loppert** looks at

The Finnish boom

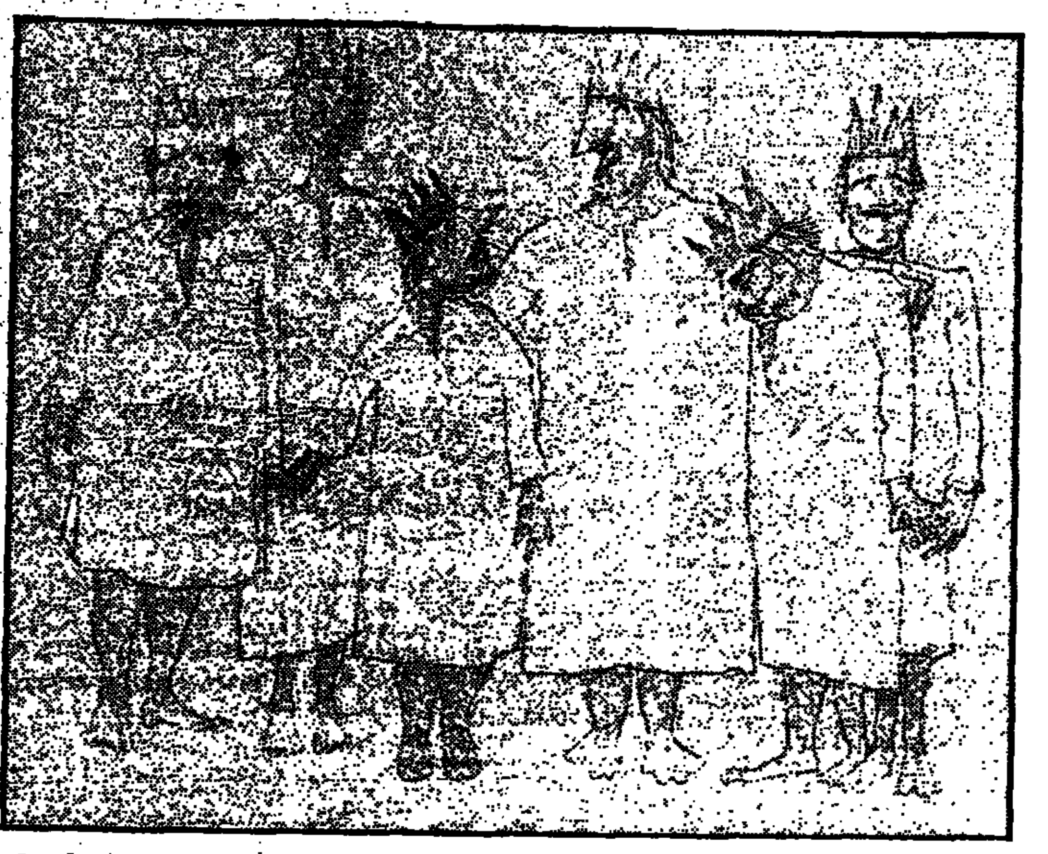
THE FINNISH opera boom that burst forth in the 1970s has constituted one of the most remarkable phenomena of recent European cultural history. When *The King Goes Forth to France*, the third opera by Finland's leading composer, Aulis Sallinen, arrives at Covent Garden next Wednesday for its British premiere, a whole process of international celebration of that phenomenon will have been completed.

The 1970s, after all, was the decade that began with Boulez's famous blow-up-the-opera-houses pronouncement. For a small country, then supposedly on the fringe of cultural activities, to produce operas that are not only wildly popular with local audiences (Joonas Kokkonen's *The Last Temptations* and Sallinen's second opera *The Red Line* have played to full houses wherever in Finland they have been put on) but, eventually, performed and saluted in other countries — this is a situation of wonderful impertinence and unexpectedness.

Opera in Finland did not arise out of nowhere and nothing in the 1970s. This is not the place for an historical survey; but from a number of fine works of earlier periods Aare Merikanto's *Juha* (1922) stands out as a strikingly original piece of 20th-century music theatre (as Edinburgh Festival audiences this year have the opportunity to discover).

But several factors combined to fan the flame into a fire: a succession of inspired, well-trained singing-actors (led by Martti Talvela and, later on, the baritone Jorma Hynninen, current boss of the Finnish National Opera); the onset of a particularly imaginative period of artistic direction at the FNO (where both *Temptations* and *Red Line* had their premieres); the revival after a long period of fallowness of the opera festival in the magnificent castle at Savonlinna; and the arrival of composers — Kokkonen, Grand Old Man of Finnish music, Sallinen, his pupil, and several other significant names — capable of responding to the various possibilities, opportunities, and circumstances.

Behind these, of course, lies a far more crucial issue — the strange, wonderful forms a country's cultural development can take — that will have to be side-stepped here, since only a cultural sociologist with an intimate working knowledge of Finland's history and peculiar geographical situation could probe it at all satisfactorily. But if one examines Sallinen's three operas together, one can draw out of them a theatrical line into which a certain (grossly simplified and generalised) pattern of national development might excusably be read.



Bob Crowley's costume designs for "The King Goes Forth To France"

The Horseman (1975), written for Savonlinna, is part national parable; part symbolist drama, situated in a shadowy, unspecified time past, whose final act takes place in a forest "between the robber states Sweden and Russia" (before Finnish independence in 1917 it was to the first, then to the second, that the country belonged). *The Red Line* (1978) is a passionate neo-verismo working-out of a social-realistic theme—the dark, bitter history of Finnish peasants struggling with Nature against the background of the first Finnish election (1907).

Against this background, *The King* (1984) came as a surprise. It is Sallinen's first International Opera — commissioned jointly by Savonlinna, the BBC, and Covent Garden, set elsewhere than in the Finnish past. After the premiere I described it, insecurely, as "a picaresque black comedy in three acts, very bleak and serious beneath its often near-farcical surface, which discloses an allegory" — or, as Sallinen and his librettist Paavo Haavikko (writer also of *The Horseman*) prefer to call it, a "chronicle of the coming of the new Ice Age."

A necessarily brief plot sketch is in order. As the English spring is overtaken by the advancing ice, its young Prince (later King) leads his Prime Minister (an "hereditary office"), court (including four female suitors, two Carolines and two Annes), populace and army across the frozen channel into France. At this point time begins to go backwards and forwards simultaneously: incidents (battle of Crecy, siege of Calais) begin to parallel those of the Hundred Years War.

The King loses his innocence; the Caroline with the Long Mane loses her mind; an English Archer, requesting his discharge, has his back flayed and his ears cut off. The finale, as all set off for an attack on Paris and the route to the south, is a wonderfully equivocal piece of work — the trappings of civilisation may be disappearing with the "fleeting springtime" but there is enthusiasm for the battles ahead, and it comes together in a short closing ensemble for the entire company, the opera's first.

As translated by Stephen Oliver, Haavikko's text (published by Novello, well worth prior perusal) is brilliant—simple on the surface, dense, elusive, and stimulating allegory have been widely essayed; I guess, nervously, that one of its aims might be to catch a poet's vision of the collapse of civilisation and of the rise of irrational forces that usually accompanies the process.

But, as Peter Conrad has written, "an allegory is not a work in which meanings can be produced by finding the right switch. Rather, it is a work in which meanings emerge hesitantly and ambiguously"—and when it is an allegory-in-music with a score so confidently theatrical as Sallinen's, guesswork must be allowed to be informed and contradicted by each new hearing, each new producer's response.

Sallinen's score lays the foundations of the allegory with, to my mind, tremendous sweep and vitality. His musical language, notably un-"progessive," has earned disapproval as well as admiration: one British critic has complained of "vague remembrances of other operatic idioms" and "approximated background invention." Put more positively, this could be taken to refer to the streaks of parody (Schubert's well-known *Marche militaire* plays a subversively hilarious role in the battle of Crecy), the adaptation of techniques out of Shostakovich, Britten, and Weill, the obstinately direct statement of melody.

For myself I find in the music of *The King* not just that rarest of gifts, the knack of theatre, but something more curious—that ability (which in their very different fashion Poulenc's various settings of Apollinaire showed) to combine the surreal and the popular so that the one disconcertingly takes over the other. For such an approachable work *The King* has the oddest habit of not being what you thought or expected (listening to a tape of the Savonlinna production was for me a continul surprise).

Plainly, the original Savonlinna production, with its eclectic, modish dress and shortage of farcical energy, mustered an inadequate response to this particular feature of the music. At Covent Garden the producer is Nicholas Hytner, one of the brightest young lights in British opera and theatre. Discovering what he—in collaboration with the Finn Okko Kamu (conductor, as at Savonlinna) and the largely British cast—has made of it all marks Wednesday night as one of the unmissable dates on the Royal Opera calendar.

Mini masterclass

FEWER GLASSES of champagne and rather more ice cream are likely to be consumed next Tuesday afternoon than is normal for a performance at Covent Garden. About 2,000 children (with a sprinkling of adults) will attend one of the six schools matinées taking place during the 1986-87 season. The performances—three of opera and three of ballet—are all from the normal repertoire of the Royal Opera House, although ticket prices are substantially reduced to £2.50 and £3. All have been sold out.

Schools matinées have been held at Covent Garden since 1977, but for the past four years have represented only part of the work generated by the Royal Opera House's education unit. This was set up in response to the Arts Council's directive "to increase the accessibility of the arts to the public." In 1982 Kate Castle was appointed Dance Education Officer, and exactly a year later Pauline Tambling was given the corresponding job of Opera Officer.

The education unit, now staffed by half a dozen people, with a separate officer at Sadlers Wells, is—like the Opera House itself—in two halves. The goals of both parts of the unit are common—to give insight into the repertoire and working methods of the companies, to forge links with the public and to make ballet and opera more accessible.

Funding comes from a variety of sources: the Royal Opera House's own trust fund makes up the £39,000 shortfall on each matinée (which costs an average of £45,000 to stage and makes only £6,000 in ticket revenue). As for the other activities organised by the education unit—the Opera House tours and summer courses, visits to schools and seminars—these are paid for by the Friends of Covent Garden, by the Opera House itself, and by commercial and private sponsors, charitable trusts, and local and regional educational authorities.

Approximately 2,000 schools altogether attend the Opera House's six special matinées; and the Education Unit writes to each one inviting participation in one or more activities leading up to the performance. These could include visits not just by performers but by set designers and wigmakers, for example; and tours of the Opera House may be arranged to suit the particular interests of any one group of children.

Both branches of the education unit have small teams of performers who are able to offer a choice of workshops and demonstartions to suit children of different ages and experience from primary level to sixth form. Since September last year there have been 49 opera and 30 ballet visits to schools. (The unit occasionally works with adult groups too.) The singers and dancers involved are well aware of the need to win over audiences who may be initially hostile or just plain shy (13-year-old girls are notoriously inhibited): many of the children have never seen an opera or ballet before.

At Palmers Green High School in north London, rows of little girls were being introduced to the ballet *Swan Lake*, which they will see performed at Covent Garden next Tuesday. Ursula and her partner Richard Slaughter have devised a programme which aims to explain the complicated plot and to show some of the mime and character dancing in the ballet. On this occasion they are accompanied for former Sadler's Wells ballerina Svetlana Beriosova — renowned for her interpretation of the dual Odette Odile role in *Swan Lake*.

Royal Ballet Education dancer Richard Slaughter with schoolgirl pupil

The demonstration turns into a miniature masterclass as Beriosova urges Richard and Ursula to greater things. The audience is indeed rather shy and it is difficult to judge the level of appreciation, but the appearance of Odile in the black swan costume provokes an audible gasp. After lunch some of the little girls get to wear real ballet costumes over their pink leotards as demonstrators become teachers and take their audience through basic exercises. At the end of the class everyone curtsies — to Michael the pianist and to Helen, the stage manager, responsible for carrying the props, driving the van, and sticking and unsticking the roll of lino at each venue.

Has the day really increased the children's understanding of ballet? The school's dancing teacher thinks so: "Those who don't take lessons got a lot from having the story of *Swan Lake* explained—how mime and movement amplify character and how they are linked to the music. And for children who learn ballet, seeing the end product gives them an idea of what they're aiming for in tedious barre work.

Opera workshops and demonstrations require preparation by schools beforehand. The unit will send musical extracts to be studied, and drama, music and art departments are also encouraged to undertake related projects.

The audience for the *Magic Flute* workshop at Ryden School in Walton-on-Thames is unusually large, being composed of 400 pupils and teachers from four schools in the area. Three Opera House singers and a pianist perform scenes from the opera: but they risk being upstaged by a group of fourth years who enact a hilarious gangster version of the story.

Audiences may vary: but there is a common reaction to the sheer volume of sound produced within the confines of classroom or assembly hall. According to *répétiteur* David Syrus, "at some stage you can be sure children will put their fingers in their ears. They've never heard an opera singer that close before—it's a raw physical experience."

Sarah Jones

Weill reconciled

A New Orpheus: Essays on Kurt Weill, edited by Kim H. Kowalke. Yale University Press, £27.50. 374 pages, illustrated

KERT WILE or Koort Vile? The question has often been asked. When Weill died in 1950, America saw him as a successful Broadway composer with some vague sort of European past, while Europe dismissed him as a musician of boundless potential who had sold out to the commercial theatre. Not the least importance of this invaluable collection of essays, based on and expanded from papers presented at the first international conference on Weill at New Haven, Conn. in 1983, is that it finally draws the two Weills together into one indissoluble entity.

That the two halves have had to be reconciled may be laid at the door of Joseph Goebbels. The Nazis seemed to fear Weill more than any other composer — what a compliment! — and went to inordinate lengths to destroy *his* work; at the time of his death, for instance, he believed his *Mahagonny* opera to be lost for ever. As an artist *he* preferred to stride forward, and apparently made little effort to salvage the past; even now early works are still coming to light, enabling scholars to paint a more complete picture, and in this respect the establishment of the Weill-Lenya Archive at Yale and the Weill-Lenya Research Center in New York is obviously of crucial importance, making up in part for the non-publication, non-revival and in some cases even non-performance of such major works as *Der Kuhhandel*, *Der Weg der Verheissung* ("The Eternal Road"—there are enticing rumours of concert performances here next year), *Der neue Orpheus*, and *Love Life*. Perhaps by some miracle the lost operetta *Na und?* may yet turn up; meanwhile the first UK staging of *Der Silbersee* at the Camden Festival next week is awaited with the utmost impatience.

Weill, at the centre of the maelstrom of artistic ideas swirling around the Weimar Republic, faced squarely the problem of how one has to write opera in a post-Wagnerian, post-imperialist age. It is interesting to learn from these essays that he grew ever more disillusioned with the established, subsidised opera houses of Germany, viewing them merely as the old order run *de haut en bas* by different faces ("culture is *good* for you," they were still saying). The inexplicable rejection of *Mahagonny* by Klemperer and the Kroll marked a decisive stage in his move to the commercial arena, and the logical extension was Broadway.

Copious quotations from his writings and letters reveal both the sharp clarity of Weill's intellect and his constant preoccupation with what music was *for* in the mid-20th century. Schoenberg wrote that it was "self-evident that art which treats deeper ideas cannot address itself to the many"; in the same year (1927) Weill answered with: "If music cannot be placed in the service of society as a whole, it forfeits its right to exist . . . Music is no longer a matter of the few." These views are quoted in Alan Chapman's essay "The Schoenberg Connection," which via copious musical examples shows how the paths of these apparently irreconcilable artists did indeed cross. They need to be seen to have done so in what remains one of the most important and troublesome clashes of aesthetic credos in the development of 20th century art. The fact that both were musical geniuses is not quite enough to resolve the conflict.

John Fuegi's "Weill, Brecht and Money" reminds us both that Brecht rose to fame on Weill's coat-tails with the *Mohagonny Sonspiel* (a pleasing piece of revisionism) and that the playwright was one of the most devious and unpleasant men of this or *any* other century. Stephen Hinton's study of musical *neue Sachlichkeit* sorts out innumerable "isms" and is the occasion of some pleasurable head-of-pin-dancing on the difference between *Ge-* and *Ver- brauchsmusik*. There are fine essays on individual works—the revolutionary, in every sense, *Silbersee*, *The Seven Deadly Sins* (Ronald K. Shull especially perceptive on the symbolism of travel/exile and Brecht's interest in the split persona), and *Street Scene* in the context of Broadway and such works as *Carousel* and *Pal Joey*.

But the most provocative and satisfying contribution comes from David Drew in "*Der Kuhhandel* as a Key Work," a dazzling tour de force of learning and dry wit. The work, written in German in Paris and adapted for performance in London (it failed), is in a sense *Weill's Arturo Ui*, just as *The Eternal Road* is his *Moses und Aron*: it is a political satire as savage as it is subtle, pointing back to the brief collaboration with Brecht and forwards to *Johnny Johnson* and *Knickerbocker Holiday* — a key work indeed. The way Mr Drew places it in its time against the philosophy of Adorno, Bloch and Walter Benjamin makes one long ever more anxiously for his own long-promised books on the composer.

Rodney Milnes

Nigel Robson in Camden Festival's "Silverlake"

An urgent Winterreise

There has always been a slow but steady line of basses wanting to undertake Schubert's winter journey. These singers run a risk that the low keys they are forced to adopt will add gloom to an already deeply pessimistic work, but at its best the bass voice can bring to these songs a natural *gravitas* in its utterance.

It is an advantage acknowledged by Robert Lloyd, both in the programme-note that he wrote for his recital on Thursday and in the performance itself. Heard in the confines of the Wigmore Hall, the lyric bass of the Royal Opera's resident Sarastro can sound most impressive: the lowest notes, as the voice plunged down into "die tiefsten Felsengrunde," were splendidly full and resonant. The tone gained additional weight and the German language was handled with his usual distinction.

This much might well have been foreseen in Lloyd's *Winterreise*. But the degree of personal commitment, pushing some of the songs to the limits of their expressive language, was surely as unexpected as it was powerfully felt. Fast speeds in the early songs and the jabbing accents in John Constable's accompaniment set the tone. The climax of "Einsamkeit" then gave us unmistakably the tortures of a soul laid bare.

Whether this contributed to the lack of security in Lloyd's soft singing is difficult to assess. The many cracks and falters in the tone at *piano* near the beginning were clearly being played for emotional effect, but even when the voice had settled down later, the quieter songs suffered from loss of focus and phrases that were cut awkwardly in half. At least at full strength the voice had no problems and filled the hall gloriously.

In sum, this was an individual *Winterreise*, always urgent and interesting, but also unstable and too exaggerated in its effects to be properly convincing. Some of its ideas, such as the headlong tempo for "Erstarrung," were quite enough to make any devotee of the work start with surprise. If King Philip and Boris Godunov feed on its strongest impulses, Lloyd's operatic characters will certainly start to live

Richard Fairman

Radio

World stagings

THE THIRD play that I undertook last week to test for political content, but for which there was no space, was Michael Frayn's *Alphabetical Order*. This was a good production of a good play, well cast and well directed by David Hitchinson; but rather than review it again, let me just draw attention to one unusual point. It was billed as a Radio 4/World Service production.

This last Saturday, and Sunday as well, I heard a play called *A View From the Mountain*. This had been commissioned from Don Haworth by the World Service Drama Unit and given a cast headed by Judi Dench and Michael Walker. Set (at a guess) in 19th-century Austria, the story had about it a touch of Greek myth and a touch of the Brothers Grimm. As a young man, Joseph had been convicted of killing a peasant by his game of rolling boulders down the mountainside, and the Emperor had sentenced him to roll boulders up the mountain for the rest of his life until he got one to the summit. He lived comfortably under his sentence, with a devoted wife and a restless son now at sea, until a minor court official came and offered to see if he could get the Emperor to revoke the sentence.

There was some good philosophical talk about the rights and wrongs of signing the plea to the Emperor. Joseph's wife Merope is for signing; the official, Werner, is for signing; and Joseph is persuaded to the length of taking a pen is his hand. But he does not sign; "Tell the Emperor I exercise the choice of a free citizen." And when Werner has gone, Merope says, "We made that choice four years ago — when you raised that boulder to the summit."

It was a fine play, excellently played under Gordon House's direction; but it was transmitted only on the World Service. No doubt one of the other channels will have it in due course; but it is good to know that the World Service has a Drama Unit of its own and produces such good work. (They have another Don Haworth play coming up next month.)

Whether it would be more economical to combine the World Service unit with others is not something I need discuss here; but what seems to me quite certain is that the BBC is too restrained in its publicity for the World Service.

Radio 3's broadcasting of World Service news bulletins is great. The bulletins are wider-ranging, if less detailed in home coverage, than Radio 4's, and they are excellently read.

No doubt about the political slants in Radio 4's Monday Play, *Some Kind of Hero* by Les Smith. It was about a black infantry soldier in Belfast whose lifetime of racial provocation combined with the effect of four tours in Northern Ireland caused a breakdown in which he shot his platoon commander.

A bullying sergeant, a woman doctor, an unhelpful defending officer combine in the script to form a kind of psychiatric team. There was some persuasive writing, but the "articulate, confident, aggressive" soldier (well played by Tony Armatrading) did not ring true. (And do officers address soldiers as "private" in the British Army now?) Eileen Pollock was good as the psych. Kay Patrick directed.

Molesworth (Radio 4, Monday) is said to be about a middle-aged version of Geoffrey William's schoolboy of 30 years ago, but the character Simon Brett has drawn, and William Rushton plays, has little in common with his earlier persona, apart from saying "Hem, hem" now and then. That child was not the father of this man. But as a routine laugh at suburban life it will do.

B. A. Young

Chess Solution No. 665

(a) The K must play to the same colour as the knight. If Black chooses (b) he loses to K-B2? 2 N-N3, K-B1; 3 N-Q4, K-B2; 4 N-K6! KxN; 5 K-N7. But if the knight reaches K6 with check, White cannot win. With the knight at QN1, answer (b) is correct.

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WEEKEND FT

• SPORT •

Gin without the tonic

Philip Coggan believes that the annual Oxford-Cambridge boat race takes too much money from rowing

TODAY sees one of Britain's traditional sporting events — the Oxford-Cambridge boat race. About 12m people are expected to tune in to BBC1 and watch. But why?

If a competition was held to find the most tedious televised sport, the boat race would surely be one of the main contenders. An afternoon watching old race reruns would rank only marginally behind a synchronised swimming festival as the best cure for insomniacs.

From the coverage of the toss ("well, that's amazing, that's the fifth time in the past seven years that a redheaded Cambridge president has chosen Middlesex"), through to the profiles of the oarsmen ("Dick is reading *Land Economy*"... very slowly), the BBC gamely whips up interest among the millions of non-Oxbridge graduates.

The race itself follows a time-honoured format. First, the two coxes raise their hands in the air like small schoolboys eager to visit the lavatory. Then after an interminable interval they lower their hands and the crews set off.

Harry Carpenter's resident expert times the stroke (Oxford 42, Cambridge 40) and there is a momentary *frisson* of excitement as one crew or another takes the lead. And that's it.

Given that it is virtually unknown for the crew in the lead to be overtaken, the BBC is faced with 15 minutes of Saturday afternoon TV to fill. And don't they make a gallant effort? Aerial views, views from the riverside, views of the crowd on the bridges, commentary on the Thamesside attractions ("The familiar sight of Fulham's floodlights being torn down by property developers") — the only technological breakthrough left is an underwater view from a frogman.

Harry bravely commentates through the longeurs. "Look at the faces of the Oxford crew as they see their rivals 20 lengths behind them," he says, or "is that the agony of effort or the bitter pain of defeat in the Cambridge expressions?"

Cambridge has occasionally relieved the monotony by sinking or crashing. But most years, we have seen, in Stanley Holloway's words "No wrecks and nobody drownded, in fact nothing to laugh at, at all."

The whole thing is devoid of intellectual stimulation. There are no tactics to speak of — no rowing Crams, breaking with 300 yards to go, or Bedfords, boldly leading from the front before being pipped in the final yards. The ludicrous Middlesex-Surrey debate is nearly always irrelevant since one crew is normally far enough ahead by the time the bends come into play to take the opposition's water.

Coming down to basics, the event is just an excuse to have a drunken binge, a fact highlighted by the change in sponsors to Beefeater Gin. No-one on the bank cares much who wins; a brief glance from the pub to check who's in the lead being quite sufficient for their needs.

At this point, I should declare an interest. As a Cambridge graduate I have watched, teeth gnashed, hair torn out, over the past decade as Cambridge have plunged to 10 successive defeats. Last year, I know, we won but we would have to keep winning until the 21st century to restore my collegiate pride.

Why should this humiliation be annually visited on Cambridge alumni? Oxford and Cambridge battles in other sports, even in rugby, have ceased to be great events. Although Oxbridge blues do make it to the international side, other universities can and do defeat them.

Although the Boat Race is far from representative of the pride of British rowing, it gets the TV coverage and thus, all the money. Beefeater is to pour £330,000 into sponsoring the event over the next three years, buoyed no doubt by the presence of two blues in its management team.

Would that Beefeater had provided a tonic for the rest of the sport. For the tragedy of this concentration on the Boat Race is that the rest of rowing is in a parlous financial state.

A spokesman for the Amateur Rowing Association (ARA) told me proudly that the last world championships saw British rowing's finest hour—two golds and three silvers—and there are high hopes for this year's competition in Copenhagen and next year's Seoul Olympics.

But it has all been achieved on a shoestring. British coaches are keen but unpaid, while the crews struggle even to attend the major championships, let alone undergo the kind of intensive training available to their east European competitors.

Real rowing races are conducted over 2,000 metres rather than the boat race's four-and-a-bit miles and with six, rather than two competitors. So they are much more concentrated in excitement, but to be fair to the Boat Race, they lack the historic scenery, being normally conducted on very flat, swimming pool-style courses.

However, the linking of rowing with the two ancient universities gives the whole sport an elitist tinge that antagonises many youngesters and games teachers. It is hard enough finding a boat, boathouse and the right stretch of river without potential oarsmen being put off by a toffee-nosed image.

In fact, there are around 30,000 enthusiastic oarsmen in the UK who must envy the largesse lavished on a few students. Funding for the ARA is provided by the Sports Council but there are no major commercial sponsors — why bother when the Boat Race hands Beefeater all that nice TV coverage on a plate?

What about the prospects for today? After years of Oxford victories, aided and abetted by beefy Americans doing postgraduate courses in oarlifting or something, it was rather nice to see them hoist by their own petard.

One of the latest American recruits, Chris Clark, was left out of the boat and four of his compatriots refused to row in sympathy, in defiance of the Oxford president.

The "mutiny" was a godsend to the press.

British dignity triumphed eventually over American gung-ho and Oxford are fielding a much changed crew, giving hope that Cambridge might actually make it two victories in a row (has somebody alerted the Guinness Book of Records?). But only very patient optimists are likely to sit through the whole thing and find out.

Lack of cash foils fencers

Nicholas Keith finds that a noble sport is not getting the support it deserves in Britain

FENCING is unquestionably a noble art with its origins in the chivalry and duels of previous centuries. To reach the top you need a supreme combination of balance, control, discipline and fitness; it is the ultimate test of mental and physical coherence. However, it does not require strength: you can start at any age, and men and women can fight one another, certainly for practice or recreation.

Despite its obvious advantages for mind and body for people of all ages, fencing is a minor and undervalued sport in Britain. There are only 2,500 registered fencers, plus approximately 20,000 more adherents who do not belong to a club. There are three weapons—foil, epée and sabre — which look remarkably similar to the uninitiated, and the basic equipment apart from the weapon is a protective mask and jacket.

Jim and Hilary Philbin are a married couple in their 30s who have both fenced in the Olympic Games for Britain, the foil. Now they have retired from competitive fencing and are captains of the men's and women's teams in which they fought. "You don't have to be Daley Thompson to be a successful fencer," Jim Philbin explained. "There are several ways of being a winner at fencing: you can be athletic and mobile or rely on anticipation and cunning; and, at the start you don't need muscles or above-average fitness."

At a competitive level British fencers feel under intense pressure financially. It has been an Olympic sport since the modern games began in 1896, but the £200,000 it receives from the Sports Council as an annual grant will be under review if fencing does not achieve something in Seoul in 1988. (This applies to all Olympic sports after Britain's mediocre performance at Los Angeles in 1984.)

The fencers are philosophical, but they are optimistic about four of their foilists, three women and one man. The women are Linda Martin, who is 32 and in her last Olympics; Fiona McIntosh and Liz Thurleigh, who reached the last 16 in 1984. Linda Martin has been the top British woman for a decade, and is considered world class; she confirmed this recently in Turin by finishing third in an international competition (which had a stronger entry than the Olympics, where countries can enter only three competitors in each event). Liz Thurleigh has also been around for some time, but Fiona McIntosh proved herself recently by reaching a world-class final. This weekend the women are in Leipzig for the Dynamo Cup, a top event.

The man is Billy Gosbee, who is 25 and a relative mystery to his fellow-fencers — and that is unusual in a close sport. He is sponsored by a trade union (Bill Sirs' steelworkers) and this has enabled him to train in Bonn with the powerful West Germans. He has been near the top since he was a teenager and there is a feeling that he may possess the individual chemistry to cause explosions in the highest fencing circles. He finished fourth in the Martini in France, "one of the toughest events in the world."

Individuality is something peculiar to the British fencers, the Philbins explained, and is not necessarily to their advantage. They are interested that the fencers of the leading nations—France, Italy, Russia and West Germany—all conform to the public image of their country's characteristics. Thus, the French are technical and aesthetic; the Italians exuberant, flashy and bouncy; the Russians ultra-fit and mechanical; while the West Germans are aggressive and solid. The French hate fighting the Germans, who have thrown technique out of the window and do not care how they get results.

What is needed in Britain, according to the Philbins, is a fencing master school, where the coaches can be coached. Such an institution is part and parcel of the success of the West Germans and Russians, who have produced the world's greatest fencer in Alexander Romankov, a multi-world champion complete in style, technique and fitness.

In West Germany there was a national inquest after their generally poor performance in the Munich Olympics in 1972; sportsmen and business came together through the government. There are now talent-spotters who pick out children with sporting talent before they are 11 and offer a total coaching and education package, including a university degree and professional qualifications.

In Italy money talks, and every year £5m is allocated from the state lottery for fencing. You have to compare that with this country where the British Olympic organisation is not allowed charitable status and 60 per cent of each each pound raised is taken by the Government.

Of the £200,000 received by British fencing, about half goes in administration costs, despite the fact that the sport relies hugely on the efforts of ex-fencers like the Philbins.

Having devoted themselves to fencing for the whole of their adult lives, they are leaving the sport after the 1988 Olympics. They do not know who will replace them.

That said, fencing for fun is easy and relatively cheap. Beginners or those returning to the sport should contact their local education authority for evening classes, where they will be taken by a qualified amateur or a "professor," a top professional. The major clubs in London include the Salle Bosten (behind the Capital Radio building in NW1) and they provide beginners lessons from September to Easter every Monday evening; the equipment is free and there is a nominal fee of £30. There is also the Sedwick Centre in the City (Aldgate East) and the Polytechnic near Oxford Circus.

And, if you progress beyond the beginner stage, the equipment is not too expensive, about £50 for a foil, mask and jacket. All you have to do now is contact the Amateur Fencing Association, Perham Road, London, W14, or ring 01-385 7442.

FT CROSSWORD PUZZLE No. 6,289

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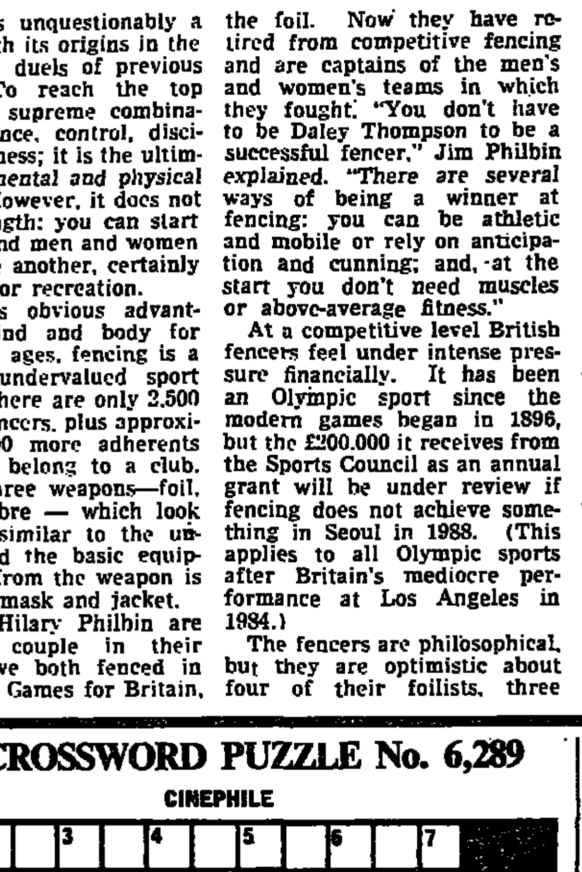

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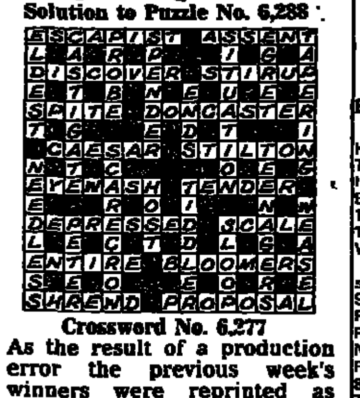
ACROSS

1 Progress of hostilities in passage this month (7, 5)
10 In trouble, I flee company with waterborne sheet (3, 4)
11 King and I under Italian dish from Italy (7)
12 Conductor of heat source on its back (5)
13 Tautological descent of autumn plumage? (8)
15 Small arachnophobe interrupted when junketing? (4, 6)
16, 18 Wild mustard for cleaner hair (8)
20 Exchange footballer for scenic railway (10)
22 Feet of pigs and horses? (8)
24 Cook of a sort? (5)
26 Benin used to be where I live in time (7)
27 Not so strange book by..... (7)
28 ..... inventor or cosmetician (4-2, 6)
23 Cats with kitten's head in USSR (5)
25 On holiday with a Mercian king (4)

DOWN

2 Round part of prison (American) is an eye (7)
3 Compiler is included in documents that leave Tennessee (8)
4 Knot of coral? (4)
5 Puppet could be near to time (10)
6 Horse loses ante, as applied to bows (5)
7 Cleaner utters hard imprecation about tuberculosis (3, 4)
8 Slim dude—is it I? No resemblance (13)
9 Sport of king entertaining a model beneath waves (6-7)
14 Posit personality change prior to giving advice (2, 1, 4, 3)
17 Quicker route for back and sides? (5, 3)
19 Prepare breakfast in Spencer's village (7)
21 A first person in a Roman coin is a liar (7)

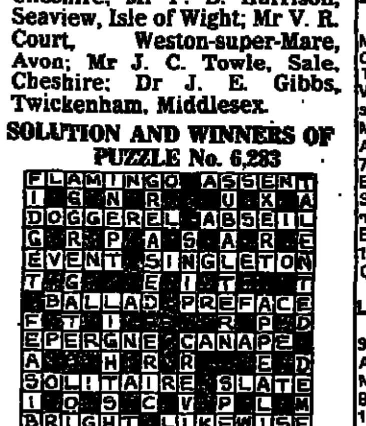
Solution to Puzzle No. 6,288



Crossword No. 6,277

As the result of a production error the previous week's winners were reprinted as winners of 6,277. The winners of 6,277 were: Mr F. T. Biggs, Sale, Cheshire; Mr F. B. Harrison, Seaview, Isle of Wight; Mr V. R. Court, Weston-super-Mare, Avon; Mr J. C. Towle, Sale, Cheshire; Dr J. E. Gibbs, Twickenham, Middlesex.

SOLUTION AND WINNERS OF PUZZLE No. 6,283



Mrs E. W. Morrice, Potterton, Aberdeen; Mrs L. I. Scott, Hawick, Roxburghshire; Mr P. S. Bagwell, London N3; Mr M. M. Goalby, Cannock, Staffs; Mr Alex J. Hamilton, *Edinburgh*.

TELEVISION AND RADIO

SATURDAY

† Indicates programme in black and white

BBC 1

8.30 am The Hunter. 8.35 Dogtanian And The Three Muskehounds. 9.00 Saturday Superstore. 11.45 Grandstand, including 11.50 University Boat Race sponsored by Beefeater Gin; 1.00 pm News; 1.10 Football Focus; 1.40 Racing from Newbury (1.45, 2.15 and 2.50 races); 1.55 Grand National Preview; 2.25 Rugby League, Silk Cut Challenge Cup semi-final, Widnes v Halifax; 3.40 Head of the River Race; 4.40 Final Score. 5.05 News. 5.15 Regional programmes. 5.20 Perfect Strangers. 5.45 Jim'll Fix It. 6.20 The Little and Large Show.

6.55 One By One. 7.45 Bob Says Opportunity Knocks. 8.35 Bergerac. 9.30 News and Sport. 9.45 Cagney and Lacey. 10.30 The Houseman's Tale. 11.50 Midland Bank World Indoor Bowls Pairs Championship.

BBC 2

1.55 pm Chess Classic. †2.25 Film: "All This And Heaven Too" (Bette Davis stars). 4.40 First semi-final of the Midland Bank World Indoor Bowls Pairs Championship. 5.35 The Week in the Lords. *6.15 Micro Live. 7.05 Newsview*. 7.45 No Fire Escape In Hell. 8.15 Bowls. 8.55 Saturday Review. 9.45 A Dorothy L. Sayers Mystery: Strong Poison. 10.40-12.55 am The Film Club: "The *Passenger*" (Jack Nicholson stars).

LONDON

6.55 am TV-am Breakfast Programme. 9.25 No 73. 11.00 The Outsiders. 12.00 News. 12.05 pm Saint and Greavsie. 12.30 Wrestling. 1.20 The Fall Guy. 2.15 Comedy Classic: Please, Sir! 2.45 Darts—The Nations Cup. 4.45 Results Service. 5.00 News. 5.05 Walt Disney's "Greyfriars Bobby," starring Donald Crisp.

6.45 Bobby Davro's TV Weekly. 7.15 Me and My Girl. 7.45 The Price Is Right. 8.45 News and Sport. 9.00 Hunter. 10.00 Parkinson One-to-One with Jack Lemmon and Walter Matthau. 10.45 LWT News Headlines, followed by the Big Match. 11.30 "Arthur," starring Dudley Moore, Liza Minnelli and John Gielgud. 1.10 am Mirror Image.

CHANNEL 4

9.25 am Pets In Particular. 9.50 4 What It's Worth. 10.20 The Living Body. 10.45 The World—A Television History. 11.15 The Life and Times of Lord Mountbatten. 12.15 pm Isaura The Slave Girl. 12.55 World of Animation. †1.20 "The Moon And Sixpence" (George Sanders stars). 3.00 Channel 4 Racing from Doncaster. 5.05 Brookside Omnibus.

6.00 Right to Reply. 6.30 Speed Chess Challenge. 7.00 News Summary, followed by Seven Days. 7.30 Horses. 8.30 The Orchestra. †9.00 The Power Game. 10.00 Saturday Live. 11.15 "Circle Of Deceit" (with English subtitles).

S4C WALES

10.30 am Union World. 11.00 A Week in Politics. 11.45 What the Papers Say. 12.00 The Marketing Mix. †12.30 Feature Film: "Seven Sinners." 2.00 Bocsio Amatur. 3.00 Racing from Doncaster. 5.00 Odyssey. 6.00 Right to Reply. 6.30 Speed Chess Challenge. 7.00 The March of Time.

7.30 Newyddion. 7.50 Stumleu. 8.20 Elinor ac Eraill. 9.05 Y Maes Chwarae. 10.05 Cynhadledd '87. 10.15 E.R. 10.45 Ask Dr Ruth. 11.15 Feature Film: "A Midsummer Night's Sex Comedy."

IBA Regions as London except at the following times:—

ANGLIA

11.00 am Tarzan. 12.30 am The Call of the Cloister.

BORDER

11.00 am Spiderwoman. 11.30 Mr Merlin. 1.20 pm Mary. 1.45 Rallycross.

CENTRAL

11.00 am Mister T. 11.30 Under the Mountain. 1.20 pm Bionic Woman. 2.15 Who's the Boss? 12.30 am Central Jobfinder '87.

CHANNEL

11.00 am Tarzan. 11.59 Today's Weather. 1.20 pm Rallycross. 1.50 Diff'rent Strokes. 12.30 pm Camel—Pressure Point.

GRAMPIAN

11.00 am UFO. 1.20 pm Magnum. 12.30 am Reflections.

GRANADA

11.05 am The Greatest American Hero. 1.20 pm UFO. 2.15 Easy Street. 11.30 "Deadfall," starring Michael Caine, and Eric Portman.

HTV

11.00 am UFO. 11.57 HTV News.

SCOTTISH

11.00 am Fireball XL5. 11.25 Crystal Tipps and Alistair. 11.30 The Smurfs. 1.20 pm The Love Boat. 12.30 am Late Call.

TSW

11.00 am Gus Honeybun's Magic Birthdays. 11.03 Chips. 11.57 TSW News. 1.20 pm Scarecrow and Mrs King. 5.05 Newsport. 5.10 Blockbusters. 5.40 Gus Honeybun's Magic Birthdays. 5.45 The A-Team. 12.30 am Postscript.

TVS

11.00 am Tarzan. 11.57 TVS Weather. 1.20 pm Rallycross (Shell Oils British Open). 1.50 Diff'rent Strokes. 12.30 am Mirror Images. 1.30 Company.

TYNE TEES

11.00 am U.F.O. 11.55 Lookaround. 1.20 pm Tucker's Witch. 10.45 Educating Oz. 11.15 "Million Dollar Face," starring Tony Curtis, Gayle Hunnicutt and *Sylvia Kristel. 1.00 am Poetry of* the People.

ULSTER

11.00 am The Outsiders. 11.58 Lunchtime News. 1.20 pm U.F.O. 4.55 Sports Results. 5.03 Ulster News. 8.57 Ulster News.

YORKSHIRE

11.00 am Tarzan. 1.20 pm Scarecrow and Mrs King. 12.30 am Jobfinder.

Stereo on VHF

BBC RADIO 2

8.05 am David Jacobs. 10.00 Sound of the 60s. 11.00 Album Time. 12.00 The 133rd University Boat Race for the Beefeater Trophy. 1.00pm The News Huddlines. 1.30 Sport on 2 including racing, football, rowing, rugby union, and rugby league. 6.00 Pop Score. 6.30 They Did It Their Way. 7.00 The Conch Quiz. 7.30 Gala Concert of English Music. 9.30 String Sound. 10.05 Martin Kelner. 12.05 am Night Owls with Dave Gelly. 1.00 Nick Page presents "Nightride." 3.00-4.00 A Little Night Music.

BBC RADIO 3

7.00 am News. 7.05 Aubade. 9.00 News. 9.05 Record Review. 10.15 Stereo Release. 11.15 Music For Horn and Piano. 11.50 Milwaukee Symphony Orchestra. 1.00 pm News. 1.05 Pollini Plays Chopin. 1.45 Haydn: Symphony No 51 in B flat major. 2.15 British Music For Oboe and String Quartet. 2.50 Winterreise (Winter's Journey) songs by Schubert to poems by Wilhelm Müller. 4.15 Jazz Record Requests. 5.00 BBC Symphony Orchestra in Leningrad with Barry Douglas (piano), live from the Leningrad Philharmonic Hall: Britten (Young Person's Guide to the Orchestra), Prokofiev (Piano Concerto No 3 in C). 5.50 What Books I Please. 6.10 BBC SO, part 2: Holst (Suite: The Planets, Op 32). 7.15 Critics' Forum. 8.05 The Organ Sonatas of Alexandre Guilmant featuring Christopher Herrick: Sonata No 5 in C minor. 8.35 "La Passione di Gesù," an oratorio in two parts, music by Niccolo Jommelli, text by Pietro Metastasio. (Sung in Italian). 10.55 Arditti String Quartet with Michael Berkeley as presenter/interviewer. 11.57-12.00 News.

BBC RADIO 4

7.00 am Today. 9.00 News. 9.05 Sport On 4. 9.30 Breakaway. 10.00 News; Loose Ends with Ned Sherrin and guests. 11.00 The Week In Westminster. 11.25 From Our Own Correspondent. 11.55 The Weekend On 4. 12.00 News, Money Box. 12.27 pm The News Quiz (s). 12.55 Weather. 1.00 News. 1.10 Any Questions? 1.55 Shipping Forecast. 2.00 News. Dilys Powell's History of the British Cinema (s). 2.30 The Afternoon Play (s). 4.00 News, International Assignment. 4.30 Science Now.

5.00 pm The Living World. 5.25 Week Ending. 5.50 Shipping Forecast. 5.55 Weather; Travel. 6.00 News; Sports round-up. 6.25 Stop The Week with Robert Robinson (s). 7.00 Saturday Night Theatre (s). 8.30 Baker's Dozen (s). 9.30 Thriller! 9.50 Ten To Ten (s). 9.58 Weather. 10.00 News. 10.15 The Saturday Feature (s). 10.45 Mixed Motorfordes. 11.00 Nineteen Ninety Eight (s). 11.30 Unnatural Acts (s). 12.00-12.15 am News.

SUNDAY

† Indicates programme in black and white

BBC 1

8.55 am Play School. 9.15 Signs of Hope. 10.00 Asian Magazine. 10.30 Take Nobody's Word For It. 10.55 The Interview Game. 11.20 Lyn Marshall's Everyday Yoga. 11.45 Telejournal. 12.10 pm See Hear. 12.35 Farming. 12.58 Weather for Farmers. 1.00 This Week Next Week. 2.00 EastEnders.

3.00 Film: "The Pride and the Passion" starring Cary Grant, Frank Sinatra and Sophia Loren. 5.10 The Pink Panther Show. 5.30 The Animals Roadshow. 6.15 You in Mind. 6.25 News. 6.40 Songs of Praise. 7.15 The Russ Abbot Show. 7.45 District Nurse. 8.35 Mastermind. 9.10 News. 9.25 That's Life! 10.10 Heart of the Matter. *10.45 Video Active. 11.10 Metro-Land.*

BBC 2

1.55 pm Rugby Special. 2.35 Bowls: Midland Bank World Indoor Pairs Championship. 3.00 "Ruddigore, or The Witch's Curse," an opera by W. S. Gilbert and Arthur Sullivan starring Vincent Price and Keith Michell. 5.00 Bowls. 5.50 Thinking Aloud. 6.30 The Money Programme. 7.15 On the House. 7.45 The First Eden. 8.40 Bowls. 9.30 Did You See...? 10.10 Screen Two: "Quartermaine's Terms" (John Gielgud and Edward Fox star in Simon Gray's play). 12.05-12.55 am Bowls.

CC TV FOR SUN MAR 29

LONDON

6.55 am TV-am Breakfast Programme. 9.25 Wake Up London. 9.30 Disney's Adventures of the Gummi Bears. 10.00 No 73. 10.30 The Adventures of Black Beauty. 11.00 Morning Worship. 11.45 The Old Testament in Art. 12.00 Weekend World. 1.00 Police 5. 1.15 The Smurfs. 1.30 Link. 2.00 Encounter. 2.30 LWT News Headlines followed by "Planet of the Apes," starring Charlton Heston and Roddy McDowall. 4.30 Supergran.

5.00 Bullseye. 5.30 Lone Furrow. 6.00 The Television Show. 6.30 News. 6.40 Highway. 7.15 Catchphrase. 7.45 Murder, Mystery, Suspense: "The Priest Killer," starring George Kennedy and Raymond Burr. 9.45 News. 10.00 Clive James on Television. 10.30 The South Bank Show. 11.30 LWT Headlines followed by Cutter to Houston.

CHANNEL 4

9.25 am Sunday East. 10.00 The World This Week. 11.00 Worzel Gummidge. 11.30 The Waltons. 12.30 pm The Tube. 2.00 Rebecca. †2.30 "Little Man, What Now," starring Margaret Sullavan and Douglass Montgomery. 4.15 The Sun's Gonna Shine.

4.30 The Mind Possessed. 5.30 News Summary followed by The Business Programme. 6.15 International Volleyball: The Pickfords Travel Trophy. 7.15 The World at War. 8.15 Behind the Mask. 9.45 "The Wall," starring Tom Conti, Eli Wallach and Rachel Roberts.

S4C WALES

9.00 am Hafoc. 10.00 The World this Week. 11.00 Worzel Gummidge. 11.30 The Waltons. 12.30 pm The Tube. †2.00 Feature Film: "London Belongs to Me," starring Richard Attenborough. 4.00 Horses. 5.00 7 Days. 5.30 The Business Programme.

6.15 International Volleyball. 7.20 Newyddion. 7.30 Cais Am Gan. 8.00 Pobol Y Cwm. 8.30 Dechrau Canu Dechrau Canmol. 9.00 Plu Chwithig. 9.35 Dirgelwch Cell Hywel. 10.50 Feature Film: "The Long Arm," starring Jack Hawkins.

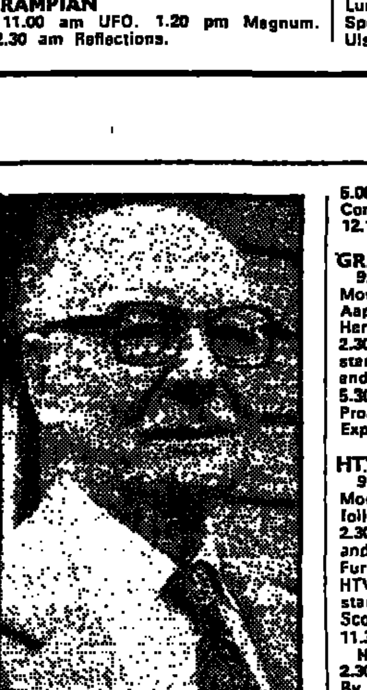
IBA Regions as London except at the following times:—

ANGLIA

9.25 am Cartoon. †11.00 pm The Beverly Hillbillies. 1.25 Weather Trends. 1.30 Farming Diary. 2.30 Sunday Cinema: "The Prince and the Pauper" starring Oliver Reed and Raquel Welch. 5.00 Lone Furrow. 5.30 Candid Camera. 11.30 The New Avengers. 12.30 am The Last Book.

BORDER

9.25 am Border Diary. 1.00 pm Farming Outlook. 2.30 Matinee: "The Glory Guys," starring Tom Tryon, Harve Presnell and Senta Berger. 5.00 Lone Furrow. 5.30 Survival. 11.30 Liberal Party Conference Report from St Andrews.



Sir John Gielgud in 'Quartermaine's Terms,' BBC2, 10.10 pm

CENTRAL

9.25 am Max the 2000 year old Mouse. 1.00 pm Link. 1.30 Here and Now. 2.30 "The Hunters," starring Robert Mitchum, Robert Wagner and Richard Egan. 5.00 The Lone Furrow. 5.30 Survival. 11.30 Jazz and Blues. 12.30 am Central Jobfinder '87.

GRAMPIAN

9.25 am Cartoon. 11.00 Sunday Service from St Mark's Oldhall Church, Paisley. 11.30 A Full Life (Lady Jane Ewart-Biggs). 1.00 pm Farming Outlook. 1.30 Face the Press. †12.30 Feature Film: "Operation Bullshine" (Donald Sinden, Barbara Murray and Ronald Shiner star). 4.00 Lone Furrow. 5.00 Scotsport. 11.30 Liberal Party Conference Report from St Andrews. 12.15 am Reflections.

GRANADA

9.25 am Max, the 2000-year-old Mouse. 1.00 pm Members Only. 1.05 Aap Kaa Hak. 1.10 Wish You Were Here...? 1.40 This is your Right. 2.30 Sunday Matinee: "Anastasia," starring Ingrid Bergman, Yul Brynner and Helen Hayes. 5.00 Lone Furrow. 5.30 Bullseye. 6.00 Survival. 11.30 Promises and Piecrust. 12.00 Show Express.

HTV

9.25 am Max The 2000 Year Old Mouse. 1.00 pm Farming Wales followed by Weather for Farmers. 2.30 The Sunday Matinee: "Sinbad and the Eye of the Tiger." 5.00 Lone Furrow. 5.30 Diff'rent Strokes. 6.35 HTV News. 7.45 "Oklahoma Crude" starring Faye Dunaway, George C. Scott, John Mills and Jack Palance. 11.30 Downtown.

HTV Wales—As HTV West except: 2.30 pm Hotel. 3.30-4.30 Bewitched By A Dolphin.

SCOTTISH

9.25 am Peter's Adventures. 11.00 Sunday Service from St Mark's Oldhall Church, Paisley. 11.25 Singalong. 11.30 Farming Outlook. 1.00 pm The Glen Michael Cavalcade. 2.00 The Two Edged Sword. 2.30 Hart To Hart. 3.30 Survival. 4.00 Lone Furrow. 5.00 Scotsport. 11.30 Liberal Party Conference Report from St Andrews. 12.15 am Late Call.

TSW

9.25 am Look and See. 1.00 pm Postscript Diary. 1.05 The South West Week. 1.30 Farming News. 2.30 The Sunday Matinee: "The Hunters" starring Robert Mitchum, Robert Wagner and Richard Egan. 4.30 Gardens For All. 5.00 Supergran. 6.35 TSW News. 11.30 Promises and Piecrust. 11.55 Postscript Postbag.

TVS

9.25 am Employment Action! 1.00 pm Agenda. 1.30 Farm Focus. 2.30 "The Fiendish Plot of Dr Fu Manchu" starring Peter Sellers and Helen Mirren. 5.00 Survival. 6.25 TVS News. †11.30 The Mysteries of Edgar Wallace. 12.30 am Company.

TYNE TEES

9.25 am Hello Sunday. 1.00 pm Farming Outlook. 1.30 Face the Press (Jeffrey Archer, politician and author). 2.30 "The Tall Men" starring Clark Gable and Jane Russell. 5.00 Lone Furrow. 5.30 Northern Life—Sunday Edition. 6.00 Bullseye. 11.30 The Television Show. 12.00 British Candid Camera. 12.30 am Epilogue.

YORKSHIRE

9.25 am Cartoon Time. 1.00 pm Link. 1.25 Farming Diary followed by Farming and Inshore Weather. 2.30 Sunday Cinema: "The Odd Couple" starring Jack Lemmon and Walter Matthau. 5.00 Lone Furrow. 5.30 Who's the Boss? †11.30 The Mysteries of Edgar Wallace. 12.35 am Five Minutes. 12.40 Jobfinder.

Stereo on VHF

BBC RADIO 2

7.30 am Roger Royle says "Good Morning Sunday." 9.05 Melodies For You. 11.00 Desmond Carrington with "Your Radio 2 All-Time Greats." 2.00 pm Benny Green. 3.00 Alan Dell. 4.00 Paul Hudson Sings. 4.30 Sing Something Simple. 5.00 Charlie Chester with your "Sunday Soapbox." 7.00 The Impressionists. 7.30 Operetta Nights. 8.30 Sunday Half Hour. 9.00 Your Hundred Best Tunes, introduced by Alan Keith. 10.05 Songs from the Shows. 10.45 John McCabe at the piano. 11.00 Sounds of Jazz with Tony Russell. 1.00 am Nick Page presents "Nightride." 3.00-4.00 A Little Night Music.

BBC RADIO 3

7.00 am News. 7.05 Schubert's Church Music. 8.00 World Service News. 8.10 Mstislav Rostropovich. 9.00 News. 9.05 Your Concert Choice. 10.30 Music Weekly. 11.15 Cho-Liang Lin and Peter Pettinger (violin and piano). 12.15 pm From the Proms 86, Monteverdi's "Orfeo." 1.55 Wagner and Strauss, played by members of the Nash Ensemble. 2.45 Lindsay String Quartet: Haydn (Quartet in E flat, Op 50 No 3). Bartok (Quartet No 3); (3.20 Interval Reading). 3.25 Cherubini (Quartet No 5, in F). 3.55 Berlin Radio Symphony Orchestra with Marilyn Horne (mezzo-soprano): Smetana, Mahler; (4.30 Interval Reading). 4.35 Wolf (orch Stravinsky); Dvorak. 5.30 The Jesuits. 6.15 Faure played by Pascal Devoyon (piano). 6.45 Oedipus Stalin by Zinovy Zinik. 7.15 Scottish National Orchestra: Strauss (Symphonic poem: Also sprach Zarathustra); (7.45 Interval Reading). 7.55 Shostakovich (Symphony No 10). 8.50 Schubert: Songs from the composer's later years, performed by Dietrich Fischer-Dieskau (baritone) and Christoph Eschenbach (piano); (9.20-9.25 Interval Reading). 10.05 Sounds of Finland. 11.20 Music for Guitar. 11.57-12.00 News.

BBC RADIO 4

7.00 am News. 7.10 Sunday Papers. 7.15 The Local Network. 7.40 Sunday, including 7.55 Weather; Travel. 8.00 News. 8.10 Sunday Papers. 8.50 The Week's Good Cause. 8.55 Weather; Travel. 9.00 News. 9.10 Sunday Papers. 9.15 Letter from America by Alistair Cooke. 9.30 Morning Service (S). 10.15 The Archers (omnibus edition). 11.15 Pick of the Week (S). 12.15 pm Desert Island Discs (S). 12.55 Weather. 1.00 The World This Weekend. 1.55 Shipping forecast. 2.00 News: Gardeners' Question Time. 2.30 The Lord Of The Rings (S). 3.30 Literary Walks. *4.00 News: The Food Programme.* 4.30 The Natural History Programme.

5.00 News; Travel. 5.05 Down Your Way visits Newtown in Powys. 5.50 Shipping Forecast. 5.55 Weather; Travel. 6.00 News. 6.15 From the Listening Pavilion. 6.30 Soundings. 7.00 Martin Chuzzlewit by Charles Dickens (S). 8.00 Bookshelf. 8.30 An Infamous Address. 8.45 The Resurrection of Christ. 9.00 News: Proof by Dick Francis (S). 9.30 Law in Action. 9.55 Weather; Travel. 10.00 News. 10.15 The Sunday Feature (S). 11.00 Seeds of Faith (S). 12.00-12.15 am News.

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